

**McHENRY COUNTY
HOUSING AUTHORITY**

**PUBLIC HOUSING PROGRAM
ADMISSIONS & CONTINUED
OCCUPANCY POLICY
(ACOP)**

APPROVED BY:
*McHENRY COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS*
April 17, 2017

**Admissions and Continued Occupancy Policy
McHenry County Housing Authority**

I. Nondiscrimination

A. Complying with Civil Rights Laws

1. Civil rights laws protect the rights of applicants and residents to equal treatment by the Housing Authority in the way it carries out its programs. It is the policy of McHenry County Housing Authority (MCHA) to comply with all Civil Rights laws, including but not limited to:

- *Title VI of the Civil Rights Act of 1964, which forbids discrimination on the basis of race, color, religion, national origin or sex;*
- *Title VIII of the Civil Rights Act of 1968 (as amended by the 1974 HCDA and the Fair Housing Amendments Act of 1988), which extends protection against discrimination based on disability and familial status, and spell out forms of prohibited discrimination;*
- *Executive Order 11063,*
- *Section 504 of the Rehabilitation Act of 1973, which describes specific housing rights of persons with Disabilities;*
- *the Age Discrimination Act of 1975, which establishes certain rights of the elderly*
- *Title II of the Americans with Disabilities Act of 1990 (ADA) requires that the MCHA provide individuals with disabilities with access to its programs, services and activities including, common areas and public spaces. However, Title II does not require that individual housing units be accessible to individuals with disabilities; rather, Section 504 and the Fair Housing Act govern access for individuals with disabilities to the MCHA's housing units.*
- *any applicable State laws or local ordinances, and*
- *any legislation protecting the individual rights of tenants, applicants or staff that may subsequently be enacted.*

2. McHenry County Housing Authority shall not discriminate because of race, color, national origin, sex, religion, familial status, disability, actual or perceived sexual orientation, gender identity, or marital status in the leasing, rental, occupancy, use, or other disposition of housing or related facilities, including land, that is part of a development under the MCHA's jurisdiction covered by a public housing Annual Contributions Contract with HUD.

3. MCHA shall not, on account of race, color, national origin, sex, religion, familial status, disability, actual or perceived sexual orientation, gender identity, or marital status:

(a) Deny anyone the opportunity to apply for housing (when the waiting list is open), nor deny to any qualified applicant the opportunity to lease housing suitable to its needs;

(b) Provide anyone housing that is different (of lower quality) from that provided others;

(c) Subject anyone to segregation or disparate treatment;

(d) Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;

(e) Treat anyone differently in determining eligibility or other requirements for admission;

(f) Deny anyone access to the same level of services; or

(g) Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program.

4. MCHA shall not automatically deny admission to otherwise qualified applicants because of their membership in some group to which negative behavior may be imputed (e.g., families with children born to unmarried parents or families whose head or spouse is a student). Instead, each applicant who is a member of a particular group will be treated as an individual based on his or her attributes and behavior .

5. MCHA will correct situations or procedures that create a barrier to equal housing opportunity for all. To permit people with disabilities to take full advantage of the MCHA's housing program and non-housing programs, in accordance with Section 504, and the Fair Housing Amendments Act of 1988, there are requirements, optional actions and prohibitions:

(a) MCHA **must**, upon request by an applicant or resident with a disability,

- make structural modifications to its housing and non-housing facilities and
- make reasonable accommodations in its procedures or practices **unless** such structural modifications or reasonable accommodations would result in an undue financial and administrative burden on the Authority, or would result in a fundamental alteration in the nature of the program.
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(b) In making structural modifications to "Existing housing programs" or in carrying out "Other Alterations" for otherwise qualified persons with disabilities, MCHA **may**, but is not required to:

- Make each of its existing facilities accessible; or
- Make structural alterations when other methods can be demonstrated to achieve the same effect;
- Make structural alterations that require the removal or altering of a load-bearing structural member;
- Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level;

(c) When the MCHA is making "Substantial Alterations," work whose value exceeds 75% of the replacement cost of the facility, to an existing housing facility MCHA **may**, but is not required to:

- Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level;
- Make structural alterations that require the removal or altering of a load-bearing structural member; or
- Make structural alterations to meet minimum accessibility requirements where it is structurally impracticable. Changes having little likelihood of being accomplished without removing or altering a load-bearing structural member and /or incurring an increased cost of 50% or more of the value of the element of the building or facility involved.

Note that the undue burdens test is not applicable to housing undergoing substantial alteration.

6. MCHA will not permit these policies to be subverted to do personal or political favors. MCHA will not offer units in an order different from that prescribed by this policy, since doing so violates the policy, federal law, and the civil rights of the other families on the waiting list.

B. Making Programs and Facilities Accessible to People with Disabilities

1. Facilities and programs used by residents will be accessible to a person in a wheelchair. Application and management offices, hearing rooms, community centers, day care centers, laundry facilities, craft and game rooms, etc. (to the extent that MCHA has such facilities) will be usable by residents with a full range of disabilities. To the extent that MCHA offers such facilities, if none is already accessible, some will be made so, subject to the undue financial and administrative burden test. It is not required that all public and common areas be made accessible so long as persons with disabilities have full access to all the types of facilities and activities available to persons without disabilities. Thus, not all laundry facilities need to be accessible so long as there are sufficient accessible laundry facilities for use by persons with disabilities at each development that provides laundry facilities.

2. Documents used by applicants and residents will be made accessible for those with vision or hearing impairments, as needed. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. Unless prohibited by local law, documents may be translated into languages other than English. 24 CFR § 5.505 requires that any notice or document relative to citizen or eligible immigration status, where feasible, be provided to an applicant or tenant in a language that is understood by the individual if the individual is not proficient in English. In general, documents will be translated when there are sufficient numbers of applicants or residents speaking a language to warrant the expense.

3. MCHA will present examples to help applicants and residents understand eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance. In writing materials for applicants and residents, MCHA staff will be prepared to explain rules and benefits verbally, as often as may be needed, because some disabilities may affect an applicant's ability to read or understand the rules and benefits.

4. When MCHA has initial contact with the applicant, MCHA staff will ask whether the applicant requires an alternate form of communication. Examples of alternative forms of communication might include, but are not limited to: a qualified sign language interpreter provided for and paid for by the MCHA; having written materials explained orally by staff either in person or by telephone; provision of written materials in large/bold font;

information on audiocassette; permitting applicants to file applications by mail; and, permitting alternative sites for the receipt of applications. In addition, the MCHA's obligation to provide alternative forms of communication to persons with disabilities does not preclude an individual's right to have a friend, relative or advocate accompany him/her for purposes of conducting business with the MCHA.

5. Some applicants will not be able to read (or to read English), so intake staff must be prepared to read and explain anything that they would normally hand to an applicant to be read or filled out. Applicants who read or understand little English may furnish an interpreter who can explain what is going on. MCHA is not required to pay the costs associated with having a foreign language interpreter (as they are for a sign language interpreters for the hearing impaired because the Fair Housing law makes no such requirement).

6. At a minimum, MCHA will prepare information to be used by applicants and residents in plain-language accessible formats.

II. Reasonable Accommodation Policy

An applicant or resident with a disability may request and qualify for a reasonable accommodation at any time. An "individual with a disability" is any person who has a physical, mental or emotional impairment that limits one or more life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism. The definition of an "individual with a disability" does *not* include a person whose current use of alcohol or drugs is the barrier that prevents the person from participating in MCHA's housing program and services. **24 CFR § 8.3.**

- A. A qualified applicant or resident is defined as an applicant or resident who qualifies for a reasonable accommodation.
- B. MCHA, as a public agency, has an obligation to provide "reasonable accommodations" to qualified applicants and residents if they or any members of their household have a disability. **24 CFR § 8.24.**
- C. A reasonable accommodation is a modification or change MCHA can make to its units, buildings, policies and procedures that will assist an otherwise qualified

applicant or resident with a disability to take full advantage of and use MCHA programs. **24 CFR § 8.20.**

- E. A qualified applicant or resident with a disability may request a reasonable accommodation from the time of the application screening up until the time that the resident voluntarily vacates or is forcibly evicted from the dwelling unit.
- F. MCHA will not permit the use of medical marijuana as a reasonable accommodation.
- G. Under **24 CFR § 8.24**, examples of reasonable accommodations include, but are not limited to:
 - 1. Making alterations to a MCHA unit to make it accessible so that it can be used by a resident with disabilities or a member of the resident's family;
 - 2. Transferring a resident from a unit that cannot be made accessible to a unit that is accessible;
 - 3. Adding or altering unit or common area features so it may be used by a qualified applicant or resident with a disability, including but not limited to:
 - a. Installing strobe-type flashing light smoke detectors in a unit for a family with a hearing impaired member;
 - b. Adding structural grab bars in the bathroom;
 - c. Changing the doorknobs to lever-type door handles;
 - d. Modifying a kitchen to make it accessible;
 - e. Providing accessible kitchen appliances;
 - f. Installing a visual aid for necessary utilities;
 - g. Modifying a bathroom to make it accessible;
 - h. Lowering the peephole on the door.
 - 4. Permitting a family to have an assistance animal for a family member with a disability in a development where no pets are allowed or the size and/or type of the animal is limited;
 - 5. Offering programs and services at locations accessible to individuals with disabilities; **24 CFR § 8.21.**
 - 6. Making sure that MCHA policies are accessible to applicants and residents with disabilities or cognitive impairments. Upon request, MCHA may make adjustments, such as the following as allowed under **24 CFR § 8.6**:
 - a. Making large type documents, Braille documents, cassettes, or a reader available to an applicant or resident with a vision or cognitive impairment during interviews or meetings with MCHA staff;
 - b. Making a sign language interpreter available to an applicant or resident with a hearing impairment upon request, and at no expense to the applicant or resident, during interviews or meetings with MCHA staff; and

c. Permitting an applicant or resident with a disability to be accompanied or represented by a family member, friend, or advocate at all meetings and interviews with MCHA if the individual desires such representation.

7. Permitting an outside agency or individual to assist an applicant with a disability to successfully complete the applicant screening; or

8. Permitting an outside agency or individual to assist a resident with a disability to meet the essential obligations of tenancy.

H. An accommodation is not reasonable if it:

1. Causes an undue financial and administrative burden; or

2. Represents a fundamental alteration in the nature of the program of MCHA.

24 FR § 8.21(b), § 8.21(c) and 24 CFR § 8.24(a) (2)

I. An applicant or resident family who has a qualified member with a disability must be able to meet the essential obligations of tenancy in the **MCHA Residential Lease Agreement. 24 CFR § 8.3.3**

J. If a qualified applicant or resident family member requests assistance with one of the essential obligations of tenancy, MCHA may, as a reasonable accommodation, make a referral to an individual or agency that can provide such assistance. **24 CFR § 8.20.**

K. If a qualified applicant or resident receives a referral to an agency or individual who can assist the applicant or resident with complying with the essential obligations of tenancy, the applicant or resident is not obligated to accept the service. However, if the essential obligations of tenancy cannot be met or a lease violation continues, MCHA may deny the applicant or terminate the lease of the resident.

L. If a qualified applicant or resident would prefer not to discuss his/her disability with MCHA, that is his/her right.

III. Eligibility for Admission and Processing of Applications

A. Affirmative Marketing

1. MCHA will conduct affirmative marketing as needed so the waiting list includes a mix of applicants with races, ethnic backgrounds, ages and disabilities proportionate to the

mix of those groups in the eligible population of the area. The marketing plan will take into consideration the number and distribution of vacant units, units that can be expected to become vacant because of move-outs, and characteristics of families on the waiting list. MCHA will review these factors regularly to determine the need for and scope of marketing efforts. All marketing efforts will include outreach to those least likely to apply .

B. Qualifying for Admission

1. It is MCHA's policy to admit **only** qualified applicants.
2. An applicant is qualified if he or she meets all of the following criteria:
 - i) Is an eligible family, as defined herein. McHenry County Housing Authority defines eligible families to consist of a single person, or two or more persons sharing residency. If two or more persons share residency and declare themselves a family unit, their income and resources must be available to meet the entire family's needs. At least one member must be 18 or older. McHenry County Housing Authority's definition of family includes HUD's definition of family as follows:
 - ii) **A family includes but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity or marital status: A single person, who may be an elderly person, displaced person, or any other single person; or** a group of persons residing together and such group includes, but is not limited to;
 - i. A family with or without children (a child who is temporarily away from the house because of placement in foster care is considered a member of the family);
 - ii. An elderly family;
 - iii. A near-elderly family
 - iv. A disabled family
 - v. A displaced family; and
 - vi. The remaining member of a displaced family.. Unborn children and children in the process of being adopted are not considered family members for purpose of determining bedroom size and/or income limit.
 - iii) An **elderly family**, which is: a) A family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age; b) Two or more persons who are at least 62 years of

- age living together; or c) One or more persons who are at least 62 years of age living with one or more live-in aides.
- iv) Near-elderly family, which is a family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
- v) A **disabled family**, which is: a) A family whose head, spouse, or sole member is a person with disabilities; b) Two or more persons with disabilities living together; or c) One or more persons with disabilities living with one or more live-in aides. d) For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence.
- vi) A **displaced family**, which is a family in which each member, or whose sole member, has been 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.

(b) Meets HUD requirements on citizenship or immigration status. Each family member receiving assistance must be a citizen or non-citizen with eligible immigration status per **24 CFR §5.500**. Immigrants may choose not to contend that they have eligible immigrant status and still be housed in or remain in the assisted housing. So long as at least one family member is either a citizen or an eligible immigrant, the family will qualify as a “mixed family” under 24 CFR Section 5.504 and will have their housing assistance pro-rated.

(c) Has an Annual Income (as defined in Section XI of this document) at the time of admission that does not exceed the income limits (maximum incomes by family size established by HUD) posted in MCHA offices.

(d) Provides documentation of Social Security numbers for all family members.. Family members without Social Security numbers must provide them within 90 days from the date that they are first offered an available unit. During this time period the applicant will retain its place on the waiting list. After 90 days, if the applicant is unable to disclose/verify the Social Security Numbers of all non-exempt household members, the applicant will be determined ineligible and removed from the waiting list.

(e) Meets the Applicant Selection Criteria in Section II, F. of these policies, including completing a MCHA-approved pre-occupancy orientation session if requested;

(f) Has a family of a size eligible for a three bedroom unit.

C. Establishing and Maintaining the Waiting List

1. It is the policy of MCHA to administer its waiting list as required by HUD's regulations.

2. Opening and Closing Waiting Lists

(a) MCHA maintains an open waiting list policy

(b) Applicants are required to complete a pre-application in order to be placed on the waiting list. A pre-application may be obtained in person at the MCHA office or it can be mailed to applicants upon request.

(c) All pre-applications are date stamped upon receipt and considered on a first-come, first-served basis

(d) Pre-applications will not be processed for applicants in which the following has been verified.

- The applicant committed fraud in connection with any federal housing program.
- The applicant family owes money to any Section 8, Public and Indian housing program.

(e) A decision to close the waiting list will consider the number of applications and the ability of MCHA to house applicants in twelve to eighteen months. Decisions to close the waiting list, restrict intake, or open the waiting list will be made by the Board of Commissioners and publicly announced.

3. Updating the Waiting List

(a) Once each year MCHA will update each waiting list by contacting all applicants in writing. If the head of household is disabled or unable to read, the method designated on pre-application will be used. If, after two attempts in writing, no response is received, MCHA will withdraw the name of an applicant from the waiting list. At the time of pre-application, MCHA will advise families that they must notify the MCHA when their circumstances, mailing address, or phone numbers change.

(b) Applicants name can be removed from the waiting list, if they fail to respond to MCHA when their application is pulled.

4. Change in Preference Status While on the Waiting List

(a) MCHA maintains its Public Housing waiting list on a first-come first-serve basis.

(b) Tenants currently participating in the Section 8 Program will be considered for immediate transfer to the Low Rent Program if there is an unit available and if one or more of the following applies-

- Homeless due to fire, tornado, or other natural causes
- The Section 8 unit they are occupying fails HQS due to landlord neglect and the family size is eligible for a three bedroom unit
- They need to move because a family member's life is endangered, or
- Any case determined an emergency by the McHenry County Housing Authority Executive Director

(c) Applicants living or working in McHenry County will be offered assistance before applicants living or working outside of the County.

(d) Preference will be given to applicant families, otherwise eligible, who are currently residing in Emergency Shelter, Transitional Shelter, Permanent Supportive housing or participating in homeless services at/in/through a participating McHenry County Continuum of Care agency (at the time of verification) and that agency has provided a Continuum of Care Participation Verification form that is not more than 30 days old. The Continuum of Care Participation Verification form will contain information confirming the eligible applicant's current successful program participation, services received, and recommendation for housing assistance through McHenry County Housing Authority. The referring agency will verify that supportive service through the agency will continue to be available for the participant after the participant begins Public Housing tenancy.

D. Processing Applications for Admission

1. MCHA will accept and process applications in accordance with applicable HUD Regulations and MCHA procedure on taking applications and initial processing. MCHA will assume that the facts certified to by the applicant in the preliminary application are correct, although all those facts will be verified later in the application process.

2. Interviews and Verification Process

As applicants approach the top of the waiting list, they will be contacted and asked to come to MCHA for an interview to complete their applicant file. Applicants who fail to attend their scheduled interview in two separate instances without providing prior notice to MCHA, or who cannot be contacted to schedule an interview after attempting to contact by mail and telephone, will have their applications withdrawn, subject to reasonable accommodations for people with disabilities.

(a) The following items will be verified according to MCHA's procedure on verification, to determine qualification for admission to MCHA's housing:

- (i) Family composition and type (Elderly/Disabled/near elderly /non-elderly);
- (ii) Annual Income;
- (iii) Assets and Asset Income;
- (iv) Deductions from Income;
- (v) Preferences;
- (vi) Social Security Numbers of all Family Members;
- (vii) Applicant Screening Information; and
- (viii) Citizenship or eligible immigration status.

(b) For new applicants, third party verifications in writing (sent by mail) are used to document eligibility. Properly documented oral third party verifications are acceptable only if written third party verification is unobtainable. If third party verification is unobtainable, MCHA will use documents provided by applicants. Verifications will be compared to other documentation provided such as pay stubs, bank statements, etc., to determine if information is accurate. If a discrepancy occurs, income and deductions will be based on the documentation that most closely reflects the actual amounts. Documents will be photocopies when not prohibited by law. When documents cannot be photocopied, staff certification forms noting document viewed will be used by recording the source of information, the information obtained, and signed and dated by the staff person who viewed the document.

If third party documents are not available as verification, MCHA will accept a notarized applicant certification with the information needed.

(c) Verification of eligible immigration status shall be carried out pursuant to **24 CFR § 5.5**. Citizens are permitted to certify to their status.

3. Applicants reporting zero income will be asked to complete a family expense form to document how much they spend on: food, transportation, health care, child care, debts, household items, etc. and what the source of income is for these expenses.

4. MCHA applications for admission to public housing shall indicate for each application the applicant's race and ethnicity; determination by MCHA as to eligibility of the applicant; when eligible, and the date, location, identification, and circumstances of each vacancy offered and accepted or rejected .

E. The Preference System

1. An admission preference does not guarantee admission. Preferences establish the order of placement on the waiting list. Every applicant must still meet MCHA's Selection Criteria before being offered a unit.

2. Applicants living or working in McHenry County will be offered assistance before applicants living or working outside of the County

3. Tenants currently participating in the Section 8 Program will be considered for immediate transfer to the Public Housing Program if there is a unit available that accommodates the family size of the tenant and if one or more of the following applies

- Homeless due to fire, tornado or other natural causes
- The Section 8 unit they are occupying fails HQS due to landlord neglect and MCHA has cancelled the HAP contract with the landlord
- They need to move because a family member's life is endangered or
- Any case determined an emergency by the McHenry County Housing Authority Executive Director.

4. (d) Preference will be given to applicant families, otherwise eligible, who are currently residing in Emergency Shelter, Transitional Shelter, Permanent Supportive housing or participating in homeless services at/in/through a participating McHenry County Continuum of Care agency (at the time of verification) and that agency has provided a Continuum of Care Participation Verification form that is not more than 30 days old. The Continuum of Care Participation Verification form will contain information confirming the eligible applicant's current successful program participation, services received, and recommendation for housing assistance through McHenry County Housing Authority. The referring agency will verify that supportive service through the agency will continue to be available for the participant after the participant begins Public Housing tenancy.

Factors other than the preference system that affect applicant selection are described below:

(a) When selecting a family for a unit with **accessible features**, MCHA will give a preference to families that include persons with disabilities who can benefit from the unit's features. First preference will be given to existing tenant families seeking a transfer and second preference will be given to applicant families. If no family needing accessible features can be found for a unit with such features, MCHA will house a family not needing the unit features, but a non-disabled family in an accessible unit will be required to move if a family needing the unit features can take advantage of the unit.

3. Income Targeting

Applicants will be grouped as follows:

- **Tier I: Extremely low income family.** Families whose annual income does not exceed the higher of: (1) The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved; or (2) Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. (this group **must** constitute at least 40% of all admissions in any year);
- **Tier II:** Families with incomes between 31% and 80% of area median income (the target for this group is 60% of all admissions in any year).

4. Method of Applying Preferences

If MCHA determines that it is not meeting its mandatory 40% of all admissions having incomes between 0% and 30% of area median income, it will assist the next eligible family on the waiting list that meets these income limits prior to an eligible family that has an income greater than 30% of area median income.

5. Notice and Opportunity for a Meeting

If an applicant claims, but does not qualify for a preference, the applicant can request a meeting:

(a) MCHA will provide a notice that an applicant does not qualify for a preference containing a brief statement of the reasons for the determination, and that the applicant has may meet with MCHA designee to review the determination.

(b) If the applicant requests the meeting, MCHA will designate someone to conduct the meeting. This can be the person who made the initial determination or reviewed the determination of his or her subordinate, or any other person chosen by the MCHA. A written summary of this meeting shall be made and retained in the applicant's file.

(c) The applicant will be advised that he/she may exercise other rights if the applicant believes that illegal discrimination, based on race, color, national origin, religion, age, disability, or familial status has contributed to the decision to deny the preference.

F. Screening Applicants for Admission

1. All applicants shall be screened in accordance with HUD regulations and sound management practices. During screening, MCHA will require applicants to demonstrate ability to comply with essential provisions of the lease as summarized below:

(a) to pay rent and other charges (e.g. utility bills) as required by the lease in a timely manner;

(b) to care for and avoid damaging the unit and common areas;

(c) to use facilities and equipment in a reasonable way;

(d) to create no health, or safety hazards, and to report maintenance needs;

(e) not to interfere with the rights and peaceful enjoyment of others, and to avoid damaging the property of others;

(f) For a period of four years prior to admission, family or individual must not have been either (1) convicted of any drug related activity, (2) convicted of violent criminal activity, (3) convicted of more than one felony, or (4) engaged in other activity which has threatened the health, safety, or right to peaceful enjoyment of other persons residing in the immediate vicinity . Other activity may include alcohol abuse or drug use. All adult members and those seventeen years of age or older must sign a criminal background release form and a fingerprint card, if requested.

(g) to comply with necessary and reasonable rules and program requirements of HUD and the MCHA.

2. How MCHA will check ability to comply with essential lease requirements:

(a) Applicant's ability and willingness to comply with the essential lease requirements will be checked and documented in accordance with MCHA's procedure on applicant screening. Applicant screening shall assess the conduct of the applicant and other family members listed on the application, in present and prior housing. Any costs incurred to complete the application process and screening will be paid by the MCHA.

(b) The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected **not to**:

(i) Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare;

(ii) Adversely affect the physical environment or financial stability of the project;

(iii) Violate the terms and conditions of the lease;

(iv) Require services from MCHA staff that would alter the fundamental nature of MCHA's Program.

(c) MCHA will conduct a detailed interview of all applicants using an interview checklist as a part of the screening procedures. The form will ask questions based on the essential elements of tenancy. Answers will be subject to third party verification .

(d) MCHA will complete a credit check and a rental history check on all applicants.

(e) Payment of funds owed to MCHA or any other housing authority is part of the screening evaluation. MCHA will reject an applicant for unpaid balances owed MCHA by the applicant for any program that MCHA operates.

(f) MCHA will complete a criminal background check on all adults seventeen years of age or older. Before the MCHA rejects an applicant on the basis of criminal history, the MCHA must notify the household of the proposed rejection and provide the household member whose criminal history is at issue with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

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(g) MCHA will deny admission to those households with a member who MCHA has determined, at the time of admission, is illegally using a controlled substance (e.g., medical and recreational marijuana).

(h) MCHA's examination of relevant information respecting past and current habits or practices will include, but is not limited to, an assessment of the applicant's adult family members':

- Past performance in meeting financial obligations, especially rent and utility bills.
- Record of disturbance of neighbors (sufficient to warrant a police call), destruction of property, or living or housekeeping habits that may adversely affect the health safety, or welfare of other tenants or neighbors.
- History of criminal activity on the part of any applicant family member involving crimes of physical violence to persons or property or other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or development.
 - MCHA may require an applicant to exclude a household member in order to be admitted if that household member has participated in , or been culpable for, criminal actions that warrant rejection; Criminal actions include but are not limited to any Felony or Class A misdemeanor
- A record of eviction from housing or involuntary termination from residential programs that has occurred within the past four years. (taking into account date and circumstances).
- An applicant's ability and willingness to comply with the terms of MCHA's lease.

Grounds for Denial

- (a) The MCHA is **required** to reject the applications of certain applicants for criminal activity or drug abuse by household members including the use of medical marijuana.
- (b) The MCHA shall reject the application of any applicant for three years from the date of eviction if any household member has been evicted from any federally assisted housing for drug-related criminal activity. However, the MCHA may admit the household if the MCHA determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the MCHA, or
- The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).

(c) The MCHA is **required** to reject the application of a household if the MCHA determine that:

- Any household member is currently engaging in illegal use of a drug including medical marijuana; or a household member is “engaged in” the criminal activity if the person has engaged in the behavior recently enough to justify a belief that the behavior is current
- The MCHA has reasonable cause to believe that a household member’s illegal use or pattern of illegal use of a drug including medical marijuana may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or
- Any household member has ever been convicted of manufacture or production of methamphetamine; or
- Any member of the household is subject to a registration requirement under a State sex offender registration program; or
- Any member of the household’s abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

(d) An applicant’s intentional misrepresentation of information related to eligibility, preference for admission, housing history, allowances, family composition or rent will result in rejection. Unintentional mistakes that do not confer any advantage to the applicant will not be considered misrepresentations.

(e) Applicants must be able to demonstrate the ability and willingness to comply with the terms of MCHA’s lease, either alone, or with assistance that they can demonstrate they will have at the time of admission. Availability of assistance is subject to verification by MCHA. Applicants whose housing situations make it difficult for MCHA to determine whether or not they are able and willing to comply with lease terms (e.g. because they are homeless, are living with friends or relatives, or have other nontraditional housing circumstances) will have to demonstrate ability and willingness to comply with lease terms whether or not they are disabled.

H. Screening applicants who claim mitigating circumstances

(a) If negative information is received about an applicant, MCHA shall consider the time, nature, and extent of the applicant's conduct and consider factors that might indicate a reasonable probability of favorable future conduct. To be considered, mitigating circumstances must be verifiable .

(b) Mitigating circumstances are facts relating to the applicant's negative rental history or behavior that, when verified, indicate: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, **AND** applicant's prospect for lease compliance is an acceptable one, justifying admission. Mitigating circumstances would overcome or outweigh information already gathered in the screening process.

(c) If the applicant asserts that mitigating circumstances relate to a change in disability, medical condition or treatment, MCHA shall refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance. MCHA shall also have the right to request further information to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

(d) Examples of mitigating circumstances might include:

(i) Evidence of successful rehabilitation;

(ii) Evidence of the applicant family's participation in social service or other appropriate counseling service; or

(iii) Evidence of successful and sustained modification of previous disqualifying behavior.

(e) Consideration of mitigating circumstances does not guarantee that applicant will qualify for admission. MCHA will consider such circumstances in light of:

(i) the applicant's ability to verify the mitigating circumstances and prospects for improved future behavior;

(ii) the applicant's overall performance with respect to all the screening requirement and

(iii) the nature and seriousness of any criminal activity, especially drug related criminal activity that appears in the applicant's record.

I. Qualified and Unqualified Applicants

(a) Verified information will be analyzed and a determination made with respect to:

(i) Eligibility of the applicant as a family;

(ii) Eligibility of the applicant with respect to income limits for admission;

(iii) Eligibility of the applicant with respect to citizenship or eligible immigration status;

(iv) Unit size required for the family;

(v) Preference category (if any) to which the family is entitled ; and

(vi) Qualification of the applicant with respect to the Selection Criteria .

(b) Qualified families will be notified by MCHA of the approximate date of admission insofar as that date can be determined; however, the date stated by MCHA is an estimate and does not guarantee that applicants can expect to be housed by that date.

(c) Unqualified applicants will be promptly notified by a Notice of Rejection from MCHA, stating the basis for such determination and offering an opportunity for informal hearing (see **Procedure for Informal Hearing for Rejected Applicants**). Informal hearings for applicants are different from the resident grievance process. Applicants are not entitled to use of the resident grievance process.

(d) No applicant for Public Housing who has been a victim of domestic violence, dating violence, or stalking shall be denied admission into the program if they are otherwise qualified. (See Section VIII A., Lease Termination Procedures, for definitions of or relating to domestic violence, dating violence, or stalking.)

J. Occupancy Guidelines

1. Units shall be occupied by families of the appropriate size. This policy maintains the usefulness of the units, while preserving them from excessive wear and tear and under-utilization.

The following principles govern the size of unit for which a family will qualify. Generally, two people are expected to share each bedroom, except that units will be so assigned that:

(a) It will not be necessary for persons of different generations or opposite sex, other than husband and wife, to occupy the same bedroom, although they may do so at the request of the family.

(b) Exceptions to the largest permissible unit size may be made in case of reasonable accommodations for a person with disabilities.

(c) Two children of the opposite sex will not be required to share a bedroom, although they may do so at the request of the family.

(d) An unborn child will not be counted as a person in determining unit size. A single pregnant woman may be assigned to a one bedroom unit.

(e) MCHA will count a child who is temporarily away from the home because the child has been placed in foster care, kinship care, or is away at school.

(f) A single head of household parent shall not be required to share a bedroom with his/her child, although they may do so at the request of the family.

(g) A live-in attendant may be assigned a bedroom. Single, elderly or disabled residents with live-in attendants will be assigned one or two bedroom units.

2. The Local Housing Code of two persons per bedroom will be the standard for the smallest unit a family may be offered. Individual housing units with very small or very large bedrooms or other specific situations that inhibit or encourage lower or higher levels of occupancy may be permitted to establish lower or higher occupancy levels so long as the occupancy levels will not discriminate on the basis of familial status.

3. MCHA has and enforces a NO SMOKING Policy. All Public Housing Units are smoke-free. Therefore, all tenants and members of tenant's family or household and guests must adhere to this policy or the tenant would be in violation of their lease.

III. Tenant Selection and Assignment Plan

A. Organizing the Waiting List

1. Site-Based Waiting List. The MCHA Public Housing units are located in different towns in McHenry County constituting separate sites.

It is MCHA's policy that each applicant shall be assigned his/her appropriate place on a site-based waiting list in sequence based upon date and time the application is received. The site-based waiting list allows applicants to choose a particular town in which to live.

An applicant may choose to be on more than one site-based waiting list. Once an applicant receives assistance they will be removed from all waiting lists.

B. Making Unit Offers to Applicants

1. To assure equal opportunity and nondiscrimination on grounds of race, color, sex, religion, national origin, disability or familial status MCHA makes unit offers as follows

- The first qualified applicant in sequence on the waiting list that has indicated a preference for the site of the vacant unit is made one offer of a unit of appropriate size and type.
- If the applicant rejects the vacancy offered they will be taken off the all waiting lists unless there is a legitimate reason for rejecting the unit. Legitimate reasons may include:
 - The applicant is willing to move but is unable to do so at the time of the unit offer (e.g., the applicant is in the hospital or is serving on a sequestered jury).
 - Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities;
 - The family demonstrates to MCHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;
 - A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
 - The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

Applicants that document that the hardship claimed is good cause for refusing an offer will remain at the top of the waiting list until the family receives an offer for which they have no good cause refusal.

2. MCHA will first match the unit available to the highest ranking applicant for a unit of that size, type and special features (if any), taking into account any designated housing (if applicable).

3. In the selection of a family for a unit with accessible features, MCHA will give preference to families that include a person with disabilities who can benefit from the unit features

4. The applicant must accept the vacancy offered within 5 working days of the date the offer is communicated (by phone, mail, or the method of communication designated by an applicant with disabilities) . All offers made over the phone will be confirmed by letter.

C. Removing Applicant Names from the Waiting List

To ensure vacant units are filled in a timely manner, MCHA needs a waiting list that is accurate. While each applicant must keep MCHA apprised of changes in address, phone number, income or other circumstances, no applicant shall be removed from the waiting list except when one of the following situations occurs:

1. The applicant receives and accepts an offer of housing;
2. The applicant refuses an offer of a unit without a good cause evidencing a hardship to the family if it were to accept the unit. The applicant will receive a letter from MCHA that states that due to the rejection of an offer of a unit, their name will be removed from all waiting lists;
3. The applicant requests that his/her name be removed from the waiting list;
4. The applicant is rejected, either because he/she is ineligible for public housing at the time of certification, or because he/she fails to meet the applicant selection criteria. All rejected applicants are entitled to a complete explanation of the reason for their rejection and an informal hearing at which they may present reasons why they should not be rejected. See the **Procedure on Informal Hearings for Rejected Applicants**; or
5. The application is withdrawn because the MCHA attempted to contact the applicant and was unable to do so. In attempting to contact an applicant, the following methods shall be undertaken before an application may be withdrawn:

- The applicant will be sent a letter by first class mail to the applicant's last known address, asking the applicant to contact MCHA.
- If an applicant contacts MCHA as required within any of the deadlines stated above, he/she shall be reinstated at the former waiting list position;

6. Persons who fail to respond to MCHA attempts to contact them because of verified situations related to a disability shall be entitled to reasonable accommodation. In such circumstances MCHA shall reinstate these individuals to their former waiting list positions.

D. Procedure on Informal Hearings for Rejected Applicants

If MCHA determines that an applicant does not meet the criteria for receiving public housing assistance, MCHA will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision and state that the applicant may request in writing an informal review of the decision within 10 business days of the denial.

The informal review may be conducted by any person designated by MCHA, other than a person who made or approved the decision under review. The applicant must be given the opportunity to present written or oral objections to MCHA's decision. MCHA must notify the applicant of the final decision within 14 calendar days after the informal review, including a brief statement of the reasons for the final decision.

E. Leasing Accessible Units

1. Before offering a vacant accessible unit to a non-disabled applicant, MCHA will offer such units:

- First, to a current public housing resident having a disability that requires the special features of the vacant unit.
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

IV. Leasing Policies

A. General Leasing Policy

1. All units must be occupied pursuant to a lease that complies with HUD' regulations .

2. The lease shall be signed by the head, spouse, and all other adult members of the household and by the Executive Director or other authorized representative of MCHA, prior to actual admission .
3. If a resident transfers from one MCHA unit to another, a new lease will be executed for the dwelling into which the family moves.
4. If at any time during the life of the lease agreement, a change in the resident' status results in the need for changing or amending any provision of the lease, either:
 - (a) A new lease agreement will be executed, or
 - (b) A Notice of Rent Adjustment will be executed, or
 - (c) An appropriate rider will be prepared and made a part of the existing lease. All copies of such riders or insertions are to be dated and signed by the Resident and by the Executive Director or other authorized representative of MCHA.
5. Residents must advise MCHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit, and provide a means for MCHA to contact the resident in an emergency. Failure to advise MCHA of an extended absence is grounds for termination of the lease.

B. Showing Units Prior to Leasing

1. When offering units, MCHA will provide the applicant with a brief property description and other information to help orient the applicant to the neighborhood and location in the property. If the offer of a unit is preliminarily accepted by the applicant, the manager of the property will contact the applicant to set up a date to show the unit.
2. Once the unit is shown and the applicant accepts the unit, and has been determined eligible, the manager will execute a lease.
3. No lease will have an effective date before the unit is ready for occupancy.

C. Additions to the Household and Visitors

1. Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit .
 - Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.

- Also included, would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support, for example, after a medical procedure .
- All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.
- All additions to the Household must provide documentation of their Social Security Number at time of application. If a child under the age of six does not have a Social Security Number, MCHA will give the household 90 days in which to provide documentation for the child. An additional 90-day period will be granted if MCHA determines the applicants failure to meet the first timeline could not be reasonably foreseen or the failure to provide documentation of a Social Security Number is due to circumstances that are outside the control of the resident including, but not limited to:
 - Delayed processing of the Social Security Number application by the Social Security Administration
 - Natural disaster
 - Fire
 - Death in family

During this time period, the child will be included as part of the household and the household will receive all of the benefits of the program including the dependent deduction and applicable child care deductions. If the Social Security Number is not provided, the household is subject to termination of tenancy.

2. When a resident requests approval to add a new person to the lease, MCHA will conduct pre-admission screening of any proposed new adult member to determine whether the MCHA will grant such approval. Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are exempt from the pre-admission screening process, although the resident still needs prior permission from MCHA to add children other than those born to, adopted by, or awarded by the court to, the family.

3. Examples of situations where the addition of a family or household **member is subject to screening** are:

- Resident plans to be married and requests to add the new spouse to the lease;
- Resident desires to add a new family member to the lease, employ a live-in aide, or take in a foster child(ren) over the age for which juvenile justice records are available;

- A unit is occupied by a remaining family member(s) under age 18 (who is not an emancipated minor) and an adult, not a part of the original household, requests permission to take over as the Head of the Household.
4. Residents who fail to notify MCHA of additions to the household or who permit persons to join the household without undergoing screening are violating the lease. Persons added without MCHA approval will be considered unauthorized occupants and the entire household will be subject to eviction .
5. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on MCHA premises that would be a lease violation.
- Visits of less than three days need not be reported to or approved by the Manager.
 - Visits of more than three and less than fourteen days are permitted, provided they are reported to the Manager within 72 hours and authorized by the manager.
 - Visits of more than 14 calendar days shall be authorized only by the Executive Director with advance documentation of extenuating circumstances.
 - Visitors remaining beyond this period without express permission of the Executive Director shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.
6. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease.
7. Residents will not be given permission to allow a former resident of MCHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.
8. Family members over age 17 or emancipated minors who move from the dwelling unit to establish new households shall be removed from the lease .
- The resident shall report the move-out within 30 calendar days of its occurrence.
 - These individuals may not be readmitted to the unit and must apply as a new applicant households for placement on the waiting list.
 - Medical hardship, or other extenuating circumstances, shall be considered by MCHA in making determinations under this paragraph.

V. Transfer Policy

A. General Transfer Policy

1. Transfers will be made without regard to race, color, national origin, sex, religion, or familial status. Residents can be transferred to accommodate a disability.
2. Residents will not be transferred to a dwelling unit of equal size except to alleviate hardship of the resident or other undesirable conditions as determined by the Executive Director or designee.
3. Any tenant taken from active participation in the Section 8 Program to Public Housing may return to the Section 8 Program after one year of occupancy. This person must be in good standing with the Public Housing Program.
4. Any tenant whose family size requires a unit smaller or larger than their current unit may receive a Voucher 60 days prior to the end of a lease period.
5. When a head of a household, originally housed in a bedroom by him/herself, has or adopts a child, the family will not be approved for a Category 3 transfer until the child is two (2) years of age. Exceptions: spouse or partner returns to the unit, marriage takes place, or family decides to remain in the unit and the unit is large enough (using the smallest-unit standard) to accommodate the number of persons now in the Household.

Chronically delinquent rent payers and tenants with a history of poor housekeeping or conduct disturbing to other tenants will not be considered for transfer during a probationary period not to exceed 180 days.

B. Types of Transfers

1. The order in which families are transferred shall be subject to the hierarchy by category set forth below.
 - (a) Category 1: Emergency Transfers are **mandatory** when MCHA determines that conditions pose an immediate threat to resident life, health or safety. Emergency transfers may be made to: permit repair of unit defects hazardous to life, health, or safety; alleviate verified disability problems of a life threatening nature; or protect members of the household from attack by the criminal element in a particular property or neighborhood . A Tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant

may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

These transfers shall take priority over new admissions.

(b) Category 2: Immediate Administrative Transfers include **mandatory** transfers to: remove residents who are witnesses to crimes and may face reprisals; provide housing options to residents who are victims of hate crimes or extreme harassment; alleviate verified medical problems of a serious (but not life-threatening) nature; permit modernization or demolition of units; perform work (e.g., repair, modernization, or lead hazard reduction work) above a specified scale and duration that disturbs lead-based paint or controls lead based paint hazards; or permit a family that requires a unit with accessible features to occupy such a unit.

Requests for these transfers will be made to the manager with necessary documentation to substantiate the need for such transfers. Transfers may also be initiated by MCHA (e.g. moving a person with mobility problems to a unit with accessible features or temporarily moving residents to a unit free of lead-based paint hazards).

(c) Category 3: Regular Administrative Transfers. These transfers are made to offer incentives to families willing to help meet certain MCHA occupancy goals, to correct occupancy standards where the unit size is inappropriate for the size and composition of the family, to allow for non-emergency but medically advisable transfers, and other transfers approved by the MCHA when a transfer is the only or best way of solving a serious problem.

D. Good Record Requirement for Transfers

1. In general, and in all cases of all resident-requested transfers, residents will be considered for transfers only if the head of household and any other family members for the past two years:

- have not engaged in criminal activity that threatens the health and safety of residents and staff;
- do not owe back rent or other charges, or evidence a pattern of late payment;
- meet reasonable housekeeping standards and have no housekeeping lease violations; and

- can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities).

2. Exceptions to the good record requirements may be made for emergency transfers or when it is to MCHA's advantage to make the transfer. The exception to the good record requirement will be made by The Public Housing Manager. Absent a determination of exception, the following policy applies to transfers:

- If back rent is owed, the resident will not be transferred until a payment plan is established or, if prior payment plans have failed, back rent is paid in full.
- A resident with housekeeping standards violations will not be transferred until he/she passes a follow-up housekeeping inspection.

E. Paying for Transfers

1. Residents shall bear the cost of transfers to correct occupancy standards. However, where there is a hardship due to health, disability, or other factors, the manager may recommend that families be reimbursed their out-of-pocket expenses for an occupancy standards transfer in an amount not to exceed a reasonable moving allowance established by MCHA. Transfers requested or required by MCHA, including those for temporary relocation during lead hazard reduction work, and all transfers for reasonable accommodations will be paid for or made by MCHA.

VI. Eligibility for Continued Occupancy, Annual Reexaminations, and Remaining Family Members

A. Eligibility for Continued Occupancy

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in this policy. Remaining family members qualify as a family so long as at least one of them is of legal age to execute a lease. Remaining family members can also include court recognized emancipated minors under age 18.
2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling Lease.
3. Whose family members, age 6 and older, each have Social Security numbers or have certifications on file indicating they have no Social Security number.

4. Who meet HUD standards on citizenship or immigration status or are paying a prorated rent.

5. Who are in compliance with the MCHA's hour per month community service requirements. Community service requirements are applicable to certain adults who are neither elderly, disabled, working nor participating in qualifying educational or job training programs

6. All household members seventeen years or older will be reviewed for criminal activity. Criminal activity records will also be checked if brought to the attention of the McHenry County Housing Authority. The check will include a review of activity within McHenry County and/or a fingerprint check through the Illinois State Police. Criminal drug related or violent activity, or conviction of more than one felony, will result in non-renewal of lease.

B. Remaining Family Members and Prior Debt

1. Remaining family members age 18 years or older will be held responsible for arrearages incurred by the former head or spouse. MCHA will not hold remaining family members (other than the head or spouse) responsible for any portion of the arrearage incurred before the remaining member attained age 18.

2. Remaining family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household.

C. Reexaminations

1. Regular reexaminations: MCHA shall, at least once a year, reexamine the family composition and incomes of all resident families, except that families paying Flat Rent shall have their incomes reexamined only every three years.

2. Interim reexamination shall be conducted when

- there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder.
- There is a decrease in income that is anticipated to have a duration exceeding 30 days (except for a decrease in TANF benefits due to the family's failure to participate in a work requirement or self-sufficiency program or as a result of fraud);
- Increase in allowance or deductions

- An increase in income equaling 30% higher than previous family income as determined at the last income examination unless the family is a zero income family.
- Decrease in allowance or deductions
- Receipt of a deferred payment in a lump sum which represents the delayed start of a periodic payment or a deferral due to dispute, except for those lump sum payments excluded by HUD regulation.

3. Zero Income Families: Unless the family has income that is excluded for rent computation, families reporting zero income will have their circumstances examined every 90 days until they have a stable income. Monetary or non-monetary contributions from persons not residing in the dwelling unit for any purpose other than the payment or reimbursement of medical expenses shall be considered income.

4. Reexamination Procedures

(a) At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD.

(b) Income, allowances, Social Security numbers, and such other data as is deemed necessary will be verified, and all verified findings will be filed in the resident's folder.

(c) Verified information will be analyzed and a determination made with respect to

(i) Eligibility of the resident as a family or as the remaining member of a family;

(ii) Unit size required for the family (using the Occupancy Guidelines); and

(iii) Rent the family should pay.

(d) Residents with a history of employment whose reexamination occurs when they are not employed will have income anticipated based on past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature will be asked for third party documentation of their employment including start and ending dates.

(e) . A full income reexamination and redetermination will be performed every three years. In the intervening years, a streamlined income determination will be performed for any family member with Fixed Income by applying a verified cost of living adjustment (COLA) or a current rate of interest to the previously verified or adjusted income amount. Fixed Income is defined as income from periodic payments at reasonably predictable levels from one or more of the following sources: Social Security, Supplemental Security Income, Supplemental Disability Insurance; Federal, State, Local, or private pensions;

Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or any other source of income subject to adjustment by a verifiable COLA or current rate of interest. The COLA or current rate of interest must be verified from a public source or through tenant-provided, third party-generated documentation. All other income that is not fixed must be verified yearly for each family member. Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy .

(f) Families failing to respond to the initial reexamination appointment will be issued a final appointment within the same month. Failure to respond to the final request will result in the family being sent a notice of lease violation and referred to the Housing Manager for termination of the lease

5. Action Following Reexamination

(a) If there is any change in rent, the lease will be amended, a new lease will be executed, or a Notice of Rent Adjustment will be issued .

VII. Interim Rent Adjustments: Fixed Rent System

A. Adjusting Rent Between Regular Reexaminations

1. **Residents are required to report all changes in family composition or status** to the housing specialist within 10 calendar days of the occurrence. Failure to report within the 10 calendar days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly. **Residents are also required to report interim increases in income if they have been granted interim rent reductions.**

2. Complete verification of the circumstances applicable to rent adjustments must be documented and approved by the Executive Director or his/her designee .

3. MCHA will process interim adjustments in rent as follows:

(a) When a decrease in income is reported, and the Authority receives confirmation that the decrease will last less than 30 days, an interim adjustment will not be processed.

(b) Residents reporting decreases in income that are expected to last more than 30 days will have an interim adjustment processed.(c)Decreases in income resulting from welfare fraud or from welfare cuts for failure to comply with economic self sufficiency requirements are not eligible for rent reductions

(d) Rent will be adjusted when residents report an increase in family income of 30%.

B. Effective Date of Adjustments

Residents will be notified in writing of any rent adjustment including the effective date of the adjustment.

1. Rent decreases go into effect the first of the month following the reported change. Income decreases reported or verified after the tenant accounting cutoff date will be effective the first of the second month with a credit retroactive to the first month.
2. Rent increases (except those due to misrepresentation) require 30 days notice and become effective the first of the month after sixty days from income increase.

VIII. Lease Termination Procedures

A. General Policy: Lease Termination

No resident's lease shall be terminated except in compliance with HUD regulations and the lease terms.

In accordance with the Violence Against Women Act (VAWA), an incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

The MCHA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants.

The MCHA may honor court orders regarding the rights of access or control of the property, including other orders issued to protect the victim and is used to address the distribution or possession of property among household members where the family "breaks up."

There is no limitation on the ability of the MCHA to evict for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a "more demanding standard" than non-victims.

There is no prohibition on the MCHA evicting if it “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s (victim’s) tenancy is not terminated.”

Any protections provided by law which give greater protection to the victim are not superceded by these provisions.

The MCHA may require certification by the victim of victim status on such forms as the MCHA and/or HUD shall prescribe or approve.

A Tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD’s regulations 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer. A tenant requesting an emergency transfer must expressly request the transfer by completing form HUD-5383 Emergency Transfer Request. Emergency transfer requests may be processed during the initial term of a lease, or any subsequent lease renewals. If there are no public housing units available, and the tenant request for an emergency transfer is approved, a housing choice voucher will be issued to the tenant, if the tenant is income eligible.

Definitions

For purposes of interpreting and applying VAWA and this policy, the following definitions contained in the VAWA are applicable:

1. *Domestic Violence* – [as defined in Section 40002 of VAWA 1994] which states as follows:

SEC 40002(a)(6) – “DOMESTIC VIOLENCE - The term ‘domestic violence’ includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.”

2. *Dating Violence* – [as defined in Section 40002 of VAWA 1994] which states as follows:

SEC 40002(a)(8) – “DATING VIOLENCE- The term ‘dating violence’ means violence committed by a person—

(A) who is or has been in a social relationship of a romantic or intimate nature with

the victim; and

(B) where the existence of such a relationship shall be determined based on a consideration of the following factors:

(i) The length of the relationship.

(ii) The type of relationship.

(iii) The frequency of interaction between the persons involved in the relationship.”

3. *Stalking* – “means -

(A) (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and (ii) to place under surveillance with the intent to kill, injure, harass or intimidate another person; and

(B) in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to –

(i) that person;

(ii) a member of the immediate family of that person; or

(iii) the spouse or intimate partner of that person; ...”

3. *Immediate Family Member* - “means, with respect to a person –

(A) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or

(B) any other person living in the household of that person and related to that person by blood or marriage.”

B. Notice Requirements

1. No resident shall be given a Notice of Lease Termination without being told by MCHA in writing the reason for the termination.

- The resident must also be informed of his/her right to request a hearing in accordance with the **Grievance Procedure**, and be given the opportunity to make such a reply as he/she may wish.

- Lease terminations for certain actions are not eligible for the **Grievance Procedure**, specifically: any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or MCHA employees; and any drug-related criminal activity.

2. Notices of lease termination may be served personally, posted on the apartment door, or mailed.

3. Notice shall include a statement describing right of any resident with a disability to meet with the manager and determine whether a reasonable accommodation could eliminate the need for the lease termination.

C. Record Keeping Requirements

A written record of every termination and/or eviction shall be maintained by MCHA, and shall contain the following information:

- Name of resident, race and ethnicity, number and identification of unit occupied;
- Date of the Notice of Lease Termination and any other state or local notices required, which may be on the same form and run concurrently;
- Specific reason(s) for the Notice(s), with section of the lease violated, and other facts pertinent to the issuing of the Notice(s) described in detail;
- Date and method of notifying resident; and
- Summaries of any conferences held with resident including dates, names of conference participants and conclusions.

IX. Utilities

In some of MCHA's developments, residents pay the cost of certain utilities directly to the supplier. At these properties, resident rents are reduced by an Allowance for Utilities developed by MCHA in consultation with the utility supplier and reviewed by HUD.

A. Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities:

1. Each resident will receive a monthly utility allowance that reflects a reasonable amount of utilities for the specific size, type and location of unit occupied.
2. When a resident's Total Tenant Payment is less than the utility allowance, MCHA will pay a utility reimbursement, equal to the difference between one month's total tenant payment and the utility allowance, to the utility company on the resident's behalf or to the resident.

3. When the utility supplier offers a “budget” payment plan, it shall be suggested to the resident to use this plan because it protects the resident from seasonal fluctuations in utility bills and ensures adequate heat in the winter
4. When a resident makes application for utility service in his/her own name, he or she **shall** sign a third-party notification agreement so that MCHA will be notified if the resident fails to pay the utility bill.
5. If an applicant is unable to get utilities connected because of a previous balance owed the utility company at a prior address, applicant will not be admitted and will receive a Notice of Rejection.
6. Paying the utility bill is the resident’s obligation under the Authority’ lease. Failure to pay utilities is grounds for lease termination and eviction.

B. MCHA utility charges

Tenants living in the city of Harvard, will receive their water bills though MCHA. Tenants are required to pay MCHA for their water bills.

Paying the water bill is the resident’s obligation under the Authority’s lease. Failure to pay utilities is grounds for lease termination and eviction.

X. Flat Rents

A. Intent and purpose

Flat rents are market-based rents. They vary by unit size and type and also by development location. MCHA will establish a flat rent for each public housing unit that is not less than 80% of the applicable Fair Market Rent. Flat rents will be used in determining the proration for Mixed Family rents.

Once each year, at the annual recertification, all residents are offered the choice of paying an income-based rent or the flat rent. Flat rents represent the actual market value of MCHA’s housing units. MCHA will take the following information into account in developing its flat rent schedule:

- Rents of non-assisted rental units in the immediate neighborhood;
- Size of MCHA’s units compared to non-assisted rental units from the neighborhood;

- Age, type of unit and condition of MCHA's units compared to non-assisted rental units from the neighborhood;
- Land use in the surrounding neighborhood;
- Amenities (childcare, laundry facilities, playgrounds, community rooms, social services, education/job training programs, etc.) at MCHA's properties and in the surrounding neighborhood;
- Crime in MCHA's developments and the surrounding neighborhood;
- Quality of local schools serving each MCHA development;
- Availability of public transportation at each MCHA development; and
- Availability of accessible units for persons with mobility impairments.

B. Annual Update of Flat Rents

MCHA shall review the flat rent structure annually and adjust the rents as needed. When a resident chooses flat rent, his/her rent shall be adjusted only at the next regular reexamination/ recertification rather than at the point the flat rent may change. If a new flat rent would cause a family's rent to increase by more than 35%, the family's rent increase will be phased in at 35% annually until such time that the family chooses to pay the income-based rent.

C. Recertification of Families on Flat Rents

Families paying flat rents are required to recertify income only every three years, rather than annually, although they are still required to participate in an Annual Reexamination to ensure that unit size is still appropriate, Community Service requirements (if applicable) are met and sign new leases, as applicable.

XI. Ceiling Rents

Ceiling rents are used to cap income-based rents. If the calculated Total Tenant Payment exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent. Increases in income do not affect the family since the rent is capped. The ceiling rent will be equal to the flat rent charged for each unit.

X. Definitions and Procedures to be used in Determining Income and Rent

A. EIV Security Policy

The purpose of the EIV Security policy is to provide guidance, controls and safeguards to be used by the McHenry County Housing Authority to protect the confidentiality of the tenant wage data and to be in compliance with Federal laws that protect this data. The data must be protected so that the privacy of the individuals is not violated in any way. MCHA restricts access to EIV only to persons whose duties require access. Each user is required to have their own user ID and password. All EIV originals and any documents created in association with their use shall be shredded when tenant file becomes inactive for three years.

B. Annual Income

Annual income is the anticipated total income from all sources, including net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member including all net income from assets for the 12-month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, non-recurring, or sporadic as defined below, or is specifically excluded from income by other federal statute. Annual 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, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be consider income when used to reimburse the family for cash or assets invested in the property;

If the Family has Net Family Assets in excess of \$5,000, 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. Families are required to provide third party-generated documentation of all family assets

before admission to the program. At the MCHA's discretion, third party written verification will be sent to supplement tenant provided documentation. After admission, the MCHA will obtain third party verification of all family assets every three years. During the intervening annual reexaminations, the MCHA will accept a family's declaration that it has total net assets equal or less than \$5,000. No additional steps to verify the accuracy of this declaration will be taken. The family's declaration of total assets must show each asset and the amount of income expected from the asset. All family members 18 years of age and older must sign the declaration. The total amount of income expected from all assets will be included in the family's income as "asset income".

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 [See C. 14. below for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.];
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker' compensation, and severance pay (But see paragraph C. 3. below concerning treatment of lump-sum additions as family assets.);
6. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by, or on behalf of, any family member;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and noncash contributions or gifts received from agencies or persons not residing in the dwelling made to, or on behalf of, family members; and
8. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See paragraph C. 7. below concerning pay for exposure to hostile fire.)

C. Items not included in Annual Income

Annual Income does not include the following:

1. Income from the employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);

3. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker' compensation), capital gains, one-time lottery winnings, and settlement for personal property losses (but see paragraphs 4 and 5 above if the payments are or will be periodic in nature);

[See paragraph 14. below for treatment of delayed or deferred periodic payments of Social Security or Supplemental Security Income benefits.]

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

5. Income of a live-in aide, provided the person meets the definition of a live-in aide (See Section 12 of these policies);

6. The full amount of student financial assistance paid directly to the student or the educational institution;

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. Certain amounts received that are related to participation in the following programs:

(a) Amounts received under HUD funded training programs (e.g. Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);

(b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self- Sufficiency (PASS);

(c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program;

(d) A resident services stipend. A resident services stipend is a modest amount (not to exceed \$200/month) received by a public housing resident for performing a service for the MCHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; and

(e) Incremental earnings and/or benefits resulting to any family member from participation in qualifying state or local employment training program (including training programs not affiliated with the local government), and training of family members as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance by the MCHA;

9. Temporary, non-recurring, or sporadic income (including gifts);

10. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of the household and spouse);

12. Adoption assistance payments in excess of \$480 per adopted child;

13. The incremental earnings and benefits to any resident

1) whose annual income increases due to employment of a family member who was unemployed for one or more years previous to employment; or

2) whose annual income increases as the result of increased earnings by a family member during participation in any economic self sufficiency or other job training program; or

3) whose annual income increases due to new employment or increased earnings of a family member during or within six months of receiving state-funded assistance, benefits or services, **will not be increased during the exclusion period.** For purposes of this paragraph, the following definitions apply:

(a) State-funded assistance, benefits or services means any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the MCHA in consultation with the local agencies administering Temporary Assistance for Needy Families (TANF) and Welfare-to-Work programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance - provided that the total amount over a six-month period is at least \$500.

(b) During the 12 month period beginning when the member first qualifies for a disallowance, the MCHA must exclude from Annual Income any increase in income as a result of employment. For the 12 months following the exclusion period, 50% of the income increase shall be excluded.

(c) Regardless of how long it takes a resident to work for 12 months (to qualify for the first exclusion) or the second 12 months (to qualify for the second exclusion), the maximum period for the disallowance(exclusion) is 48 months.

(d) The disallowance of increased income under this section is only applicable to current residents and will not apply to applicants who have begun working prior to admission (unless their earnings are less than would be earned working ten hours per week at minimum wage, under which they qualify as Unemployed).

14. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

16. Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

17. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

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

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

- Payments to volunteers under the Domestic Volunteer Service Act of 1973 [**42 USC 5044 (g), 5088**]; Examples of programs under this Act include but are not limited to:

- Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;

- Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;

- Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

- Payments received under the Alaska Native Claims Settlement Act [**43 USC.1626 (a)**];
 - Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes [(**25 USC. 459e**);
 - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program [**42 USC 8624 (f)**];
 - Payments received under programs funded in whole or in part under the Job Training Partnership Act [**29 USC 1552 (b)**] ;
 - Income derived from the disposition of funds of the Grand River Band of Ottawa Indians [**Pub. L. 94-540, 90 Stat 2503-04**];
 - The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (**25 USC 1407-08**), or from funds held in trust for an Indian Tribe by the Secretary of Interior [**25 USC 117b, 1407**]; and
 - Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs [**20 USC 1087 uu**].
- Examples of Title IV programs include but are not limited to: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- Payments received from programs funded under Title V of the Older Americans Act of 1965 [**42 USC 3056 (f)**]:
- Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.
- *Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation;*
 - *Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 94 Stat. 1785);*

- *The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 USC 9858q);*
- *Earned income tax credit refund payments received on or after January 1, 1991 (26 USC 32 (j)).*
- *Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;*
- *Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;*

D. Anticipating Annual Income

If it is not feasible to anticipate income for a 12-month period, the MCHA may use the annualized income anticipated for a shorter period, subject to an Interim Adjustment at the end of the shorter period. (This method would be used for teachers who are only paid for 9 months, or for tenants receiving unemployment compensation.)

E. Adjusted Income

Adjusted Income (the income upon which rent is based) means Annual Income less the following deductions and exemptions:

For All Families

- 1. Child Care Expenses** — A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, BUT ONLY when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by MCHA when the expense is incurred to permit education or to seek employment.
- 2. Dependent Deduction** — An exemption of \$480 for each member of the family residing in the household (other than the head of household, or spouse, Live-in Aide, foster adult or foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, or a full-time student.
- 3. Work-related Disability Expenses** — A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where

such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work. Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.

a. For non-elderly families and elderly or disabled families without medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

b. For elderly or disabled families with medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

For elderly and disabled families only:

4. Medical Expense Deduction — A deduction of unreimbursed Medical Expenses, including insurance premiums, anticipated for the period for which Annual Income is computed. Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and non-prescription medicines that are taken based on the advice of a doctor, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by MCHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.

a. For elderly or disabled families without work-related disability expenses: The amount of the deduction shall equal total medical expenses less three percent of annual income.

b. For elderly or disabled families with both work-related disability expenses and medical expenses: the amount of the deduction is calculated as described in paragraph 3 (b) above.

5. Elderly/Disabled Household Exemption — An exemption of \$400 per household.

E. Computing Rent

1. The first step in computing rent is to determine each family's Total Tenant Payment. Then, if the family is occupying a unit that has tenant-paid utilities, the Utility Allowance

is subtracted from the Total Tenant Payment. The result of this computation, if a positive number, is the Tenant Rent. If the Total Tenant Payment less the Utility Allowance is a negative number, the result is the utility reimbursement, which may be paid to the tenant or, directly to the utility company by the MCHA.

2. Total Tenant Payment is the highest of:

- **30% of adjusted monthly income;** or
- **10% of monthly income;** but never less than the
- **Minimum Rent;** and never more than the

- **Flat Rent, if chosen by the family**

3. Tenant rent is computed by subtracting the utility allowance for tenant supplied utilities (if applicable) from the Total Tenant Payment. In developments where the MCHA pays all utility bills directly to the utility supplier, Tenant Rent equals Total Tenant Payment.

4. The Minimum Rent shall be \$30 per month, but a hardship exemption shall be granted to residents who can document that they are unable to pay the \$30 because of a long-term hardship (over 90 days). Examples under which residents would qualify for the hardship exemption to the minimum rent would be limited to the following:

- The family has lost eligibility for or is applying for an eligibility determination for a Federal, State or local assistance program;
- The family would be evicted as result of the imposition of the minimum rent requirements;
- The income of the family has decreased because of changed circumstances, including loss of Employment;
- A death in the family has occurred; or
- Other circumstances as determined by MCHA

The minimum rent hardship exemption is retroactive to October 21, 1998, so if any resident who qualified for the hardship exemption was charged a minimum rent since that time, the resident may be entitled to a retroactive credit.

5. At initial certification and at each subsequent annual reexamination the resident shall be offered a choice of paying either the income-based rent or the Flat Rent applicable to the unit they will be occupying.

6. Income-based rent will be capped at the ceiling rent.