

CHAPTER I - OVERVIEW OF THE PROGRAM AND PLAN

Introduction

The Puerto Rico Public Housing Administration (PRPHA) receives its operating subsidy for the Public Housing Program from the Department of Housing and Urban Development (HUD). It is a governmental Agency of the Commonwealth of Puerto Rico, created and authorized by local law to develop and operate the Public Housing Program for very-low and low-income families, according to the limits of income established by HUD.

The PRPHA has entered into an Annual Contributions Contract (ACC) with HUD to administer the Public Housing Program. The PRPHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to implement federal requirements and to ensure consistency in the operation of the Program.

The Chapter I has three (3) parts:

- Part 1: The Puerto Rico Public Housing Administration (PRPHA)
- Part 2: The Public Housing Program
- Part 3: The Admission and Continued Occupancy Policies (ACOP)

Part 1: The Puerto Rico Public Housing Administration

1.1.1 The Law

The Puerto Rico Public Housing Administration (PRPHA) was created by Law Number 66 of August 17, 1989, as amended. Conforming to the Law, the PRPHA was given faculties and was authorized to establish the policies for the administration of the Public Housing Program. The vision of the PRPHA will serve as a fundamental instrument of service to ensure the community development and promote activities which could meet the needs of housing applicants and tenants, with an emphasis on meeting the requirements. Also promote the achievement of higher quality living standards.

The PRPHA is governed by a Board of Government. The Board of Government is comprised of seven members from the following public and private sectors:

- Secretary of the Department of Housing (Chairman);
- Secretary of the Department of Labor;
- Secretary of the Department of Family;
- Executive Puerto Rico Housing Finance Authority;
- Three (3) members, two (2) of this should tenants of different PRPHA's housing projects.

The administration of the Public Housing Program and the functions and responsibilities of the PRPHA staff must comply with the requirements of HUD, this Admission and Continued Occupancy Policies (ACOP), and local laws of the Commonwealth of Puerto Rico.

1.1.2 Organization and Structure of the PRPHA

The Public Housing Program is funded by the federal government and administered by the PRPHA for the Commonwealth of Puerto Rico and is governed by a Board of Government.

The Board of Government establishes policies under which the PRPHA conducts business, and ensures that those policies are followed by the PRPHA staff. The Board of Government is responsible for preserving and expanding the Agency's resources and assuring the Agency's continued viability and success. The formal procedures of the PRPHA are taken through written resolutions, adopted by the Board of Government and entered into the official records of the PRPHA.

The principal staff member of the PRPHA is the Administrator, who is appointed by the Governor of Puerto Rico, with the advice and consent of the Senate, and that his appointment will have duration of seven years. The Administrator oversees the day to day operations of the housing administration and is directly responsible for carrying out the established policies. The Administrator's duties include hiring, training, and supervising the PRPHA's staff, as well as budgeting and conducting financial planning for the PRPHA. Additionally, the Administrator is in charge of ensuring compliance with federal and local laws, as well as the public housing program mandates.

1.1.3 Mission and Objectives

The PRPHA mission is to effectively administer the resources of the Public Housing Program, promote services for the economic self-sufficiency of the tenants, and contribute towards a better quality of life in Puerto Rico.

In order to achieve this mission, the PRPHA will:

- Recognize residents as its ultimate customer;
- Deliver a competitive management and excellent services;
- Seek problem solving partnerships with residents as well as the public and private sector;
- Use available and accepted resources to effectively manage and operate the Public Housing Program.

1.1.4 Commitment to Ethics and Service

As a public service agency, the PRPHA is committed to providing effective service to all public housing applicants, tenants, and the public in general. In order to provide superior service, the PRPHA resolves to:

- Administer applicable federal and local laws, regulations and notices to achieve high ratings in compliance measurement indicators while maintaining efficiency in Program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair in compliance with program Uniform Physical Condition Standards (UPCS) – for very low and low-income families.
- Achieve a mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities. This includes being facilitators to make viable that the families obtain services of education, social and economics services, services of recreation and other services relating to the human needs.
- Promote fair housing and the equal opportunity principle to families interesting in participate in the Public Housing Program, regardless their race, ethnicity, national origin, religion, ethnic background, and disabilities.
- Create positive public awareness and expand the level of family and community support in accomplishing the PRPHA’s mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing Agency through continuous improvement of the PRPHA’s support systems and commitment to our employees and the professional development of these.
- To preserve, improve, and expand the public housing inventory through the capital funds finance program, public and private grants, low income housing tax credits, and other financial resources approved by HUD.
- Maintaining informed the tenants about the requirements and regulations of the Program and to notify the participants on the effect of the rules.

Part 2: The Public Housing Program

1.2.1 History of the Program

The United States Housing Act of 1937 (the “Act”) is responsible for the creation of federal housing program initiatives, known as Public Housing Program. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance, and the development of affordable housing for low-income residents.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the Public Housing Program for the first time. Until then, public housing was a self-sustaining program.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA), have the purpose to provide management guidelines to the Public Housing Program in order to provide tenants with greater choices. It also allowed the PHA to implement additional remedies to replace or revitalize severely distressed public housing developments. The highlights of the Reform Act include: the establishment of flat rents; the requirement for public housing agencies to develop five-year and annual plans; information verification; a requirement that forty percent (40%) of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families; and tenant self-sufficiency incentives.

1.2.2 Public Housing Program Basics

HUD publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the PRPHA to administer programs in accordance with HUD regulations and provides an operating subsidy to the PHA. The PRPHA must create written policies that are consistent with HUD regulations. The Admissions and Continued Occupancy Policies (ACOP) they are part of these regulations and procedures. The ACOP must be approved by the PRPHA's Board of Government.

The job of the PRPHA pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The PRPHA screens families for public housing and, if they are found eligible and accepted, the PRPHA offers the family a unit. If the family accepts the offer, the PRPHA will enter into a contract with the family. When the family subscribes to the Lease becomes a tenant of the Public Housing Program.

Since the PRPHA owns the public housing developments, the PRPHA is the landlord. The PRPHA must comply with all of the legal and management responsibilities of a landlord, in addition to administering the program in accordance with HUD rules and regulations and PRPHA policies and procedures.

1.2.3 PUBLIC HOUSING PARTNERSHIPS

Relationships between partnerships are defined by federal regulations and by contract. These contracts outline the roles and responsibilities of each party.

Federal regulations further identify the important obligations of the parties involved. To make the program work is necessary to know the roles and responsibilities of each of the parties to interacting among if.

The key aspects of the public housing relationships are:

- Congress appropriates funds;
- HUD funds PHAs;
- Program Regulations and Annual Contribution Contract provide PHA Operating Subsidy;
- PHAs administer the program;
- The PHA and Family enter into a Lease.

HUD has the responsibility to develop regulations, program requirements, notices, and other guidelines in order to implement housing legislation enacted by Congress. It also shall allocate operating subsidies and capital funds to the PHAs, provide technical assistance, and monitor the PHA's compliance with the Public Housing Program requirements.

The PRPHA owns and manages the public housing developments, administers the public housing program by means of contractual agreements with HUD. Have the following responsibilities:

- establish local policies and procedures;
- evaluate the applications of interesting families to determine their eligibility to the Program;
- maintain waiting lists and selection the family for admission;
- maintain housing units and make repairs;
- screen families;
- offer units;
- maintain properties in a safe, decent and sanitary standard;
- ensure families qualify for the program and comply with program rules;
- collect rents;
- lease enforcement;
- ensure that family comply with the regulations;
- provide services to the families;
- comply with Fair Housing and Equal Opportunity requirements, the Violence Against Women Act (VAWA), HUD's rules and regulations, the Annual Contribution Contract, ACOP, and other federal and local laws.

The tenant's responsibilities are included in the public housing lease:

- comply with the terms of the lease;
- provide complete and accurate information to the PRPHA;
- assist to scheduled appointments;
- allow inspection of the housing unit;

- take responsibility over the care of the unit;
- not participate in drug related or other criminal activities;
- use the housing unit solely for residency;
- immediately notify the PRPHA of any family changes or circumstances that may affect their participation in the program;
- not commit fraud or program abuse;
- and other establish by PRPHA.

1.2.4 Applicable Regulations

The following regulations apply to the public housing program:

- 24 CFR Part 5: General HUD Program Requirements
- 24 CFR Part 8: Non discrimination
- 24 CFR Part 135: Economic Opportunities for low and very-low income persons
- 24 CFR Part 901: Public Housing Management Assessment Program
- 24 CFR Part 902: Public Housing Assessment System (PHAS)
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 905: The Public Housing Capital Fund
- 24 CFR Part 906: Public Housing Homeownership Program
- 24 CFR Part 908: Electronic Transmission of Required Family Data
- 24 CFR Part 941: Public Housing Development
- 24 CFR Part 943: Public Housing Agency
- 24 CFR Part 945: Designated Housing-Public-Housing Designated for Occupancy by Disabled, Elderly, or Disabled and Elderly Families
- 24 CFR Part 960: Admission to, and Occupancy of, Public Housing
- 24 CFR Part 963: Public Housing-Contracting with Residents-Owned Businesses
- 24 CFR Part 964: Tenant Participation and Tenant Opportunities in Public Housing
- 24 CFR Part 965: PHA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Public Housing Lease and Grievance Procedures
- 24 CFR Part 968: Public Housing Modernization
- 24 CFR Part 969: PHA-Owned Projects-Continued Operation as Low Income Housing after Completion of Debt Service
- 24 CFR Part 971: Assessment of the Reasonable Revitalization Potential of Certain Public Housing Required by Law
- 24 CFR Part 972: Conversion of Public Housing to Tenant Based Assistance
- 24 CFR Part 984: Section 8 and Public Housing Family Self-Sufficiency Program
- 24 CFR Part 990: The Public Housing Operating Fund Program

Part 3: The Admission and Continued Occupancy Policies

1.3.1 Purpose of the Policy

The ACOP is the PRPHA's written statement of policies used to carry out the Public Housing Program in accordance with federal law and regulations, and HUD requirements. The ACOP also contains policies that support the objectives contained in the PRPHA's Annual Plan and Five Years Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. The PHA is responsible for complying with all changes in HUD regulations pertaining to public housing. If such changes conflict with this plan, HUD regulations will have precedence.

The ACOP is designed to demonstrate that the PRPHA is managing its Public Housing Program in a manner that reflects its commitment to improving the quality of housing available to its customers, and its capacity to manage housing in a manner that demonstrates its responsibility to the public trust. In addition, this ACOP is designed to achieve the following objectives:

- To provide improved living conditions for very low and low-income families while maintaining rent payments at an affordable level;
- To operate a socially and financially sound public housing agency that provides decent, safe, and sanitary housing within a drug free, suitable living environment for its customers;
- To avoid concentrations of economically and socially deprived families in any one or all of the PRPHA's public housing developments;
- To lawfully deny the admission of applicants, or the continued occupancy of residents, whose habits and practices reasonably may be expected to adversely affect the health, safety, comfort or welfare of other residents or the physical environment of the community, or create a danger to the PRPHA's employees;
- To attempt to have a resident body in each development composed of families with a broad range of incomes and rent-paying abilities that are representative of the range of incomes and rent paying abilities of low-income families in the PRPHA's jurisdiction;
- To provide opportunities for upward mobility of families that desire to achieve self-sufficiency;
- To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable Federal laws and regulations so that admissions and continued occupancy are conducted without regards to race, color, religion, sex, national origin, disability or familial status.

1.3.2 Contents of the Policy

The Admission and Occupancy Policies includes, among others:

- The organization of the waiting list. Include the procedure of selection of families and assignment of units; the procedures of admission, to remove or eliminate applicants of the Waiting List; and the procedure for close and reopening the Waiting List;
- Transfer policies and the circumstances under which a transfer would take precedence over an admission;
- Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed;
- Procedures for verifying the information the family has provided;
- The method for achieving deconcentration of poverty and income-mixing of public housing developments;
- Grievance procedures;
- Policies governing family annual recertification;
- Policies concerning family payment to the PHA of amounts the family owes the PHA;
- Interim redeterminations of family income and composition;
- Policies regarding community service requirements;
- Policies and rules about safety and ownership of pets in public housing.

1.3.3 Updating and Revising the Policy

The PRPHA will revise this ACOP as needed in order to comply with changes made to HUD's regulations and local laws. The original policy and any changes may be posted for comment and must be approved by the PRPHA Board Members, and the pertinent sections included in the Agency Plan, and a copy provided to HUD.

The PRPHA will review the ACOP annually and update as necessary, to reflect changes in federal regulations, local laws, PRPHA operations, or when needed to ensure staff consistency in operation and services.

CHAPTER II - FAIR HOUSING AND EQUAL OPPORTUNITY

Introduction

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing and equal opportunity in the Public Housing Program. The responsibility to further nondiscrimination pertains to all areas of the PRPHA's operations.

The Chapter II has three (3) parts:

Part 1: Nondiscrimination

Part 2: Service and Reasonable Accommodation Policy

Part 3: Accessibility and Plain Language for Limited English Proficient Persons.

Part 1: Nondiscrimination

2.1.1 Nondiscrimination Policy (24 CFR Sec. 8)

1. The policy of the PRPHA to fully comply with all federal and local nondiscrimination laws and with rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. The PRPHA will comply with all laws and agreements relating to civil rights and non-discrimination, including but not limited to the following:

- a. Title VI of the Civil Rights Act of 1964
- b. Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- c. Section 504 of the Rehabilitation Act of 1973
- d. Title II of the American with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments)
- e. Age Discrimination Act of 1975
- f. PRPHA Voluntary Compliance Agreement
- g. Any applicable local laws or ordinances and any legislation protecting individual rights of tenants, applicants or staff that may subsequently be enacted.

2. The PRPHA will not discriminate in the provision of public housing based on race, color, sex, religion, and familial status, disability, related to any housing that is part of any development or developments under the PRPHA's jurisdiction covered by an Annual Contributions Contract under the United States Housing Act of 1937, as amended.

3. To further its commitment to full compliance with applicable civil rights laws and agreements, the PRPHA will provide federal and local information to its tenants

regarding discrimination and any recourse available to them if they believe they are victims of discrimination. Such information will be made available during the applicant or tenant orientation session.

4. All PRPHA's developments and offices will be accessible to persons with disabilities and reasonable accommodation will be provided upon request, as long as it does not create a substantial burden on the agency.

5. The PRPHA will not, on account of race, color, sex, religion, familial status, disability, or national origin:

- a. Deny to any Family the opportunity to apply for housing;
- b. Deny to any qualified family the opportunity to lease housing suitable to its needs;
- c. Provide housing that is different from that provided to others;
- d. Subject a person to segregation or unequal treatment,
- e. Restrict a person's access to any benefit enjoyed by others in connection with the Public Housing Program;
- f. Treat a person differently in determining eligibility or other requirements for admission; or
- g. Deny a person access to the same level of services.

6. The PRPHA shall not automatically deny admission to a particular group or category of otherwise qualified applicants (e.g., families with children born to unmarried parents, families with elderly members, or others).

7. If an applicant or tenant family believes that any family member has been discriminated against by the PRPHA, the family should advise the Agency. HUD requires PHAs to make every reasonable effort to determine whether the applicant's or tenant family's assertions have merit and if so, to take any warranted corrective action.

8. The applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the PRPHA either orally or in writing. The PRPHA will attempt to remedy discrimination complaints made against the Agency. The PRPHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO), as specified on the grievances and appellation procedure.

2.1.2 Privacy Rights

1. Authorization for Release of Information

It is part of the PRPHA's practices and procedures to safeguard the privacy of applicants and tenants. Applicants and tenants, including all adults in their households, are required to sign the Form HUD-9886, "Authorization for Release of Information and Privacy Act

Notice.” This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

2. Release of Information Policy

PRPHA’s policy regarding release of information is in accordance with federal and local laws and regulations, which may restrict the release of Family information. Requests for information by parties (other than the applicant or resident) must be accompanied by a signed release before the PRPHA releases any information involving an applicant or resident, unless disclosure is authorized under federal or local law or regulations.

Any and all information that divulges the nature or severity of a person’s disability must be kept in a separate folder and marked “confidential”. The information in this folder must not be released except on an “as needed” basis in cases where an accommodation is under consideration. The designate PRPHA’s staff must approve all requests for access to this information. Files should not be left unattended or placed in common areas.

The PRPHA staff will not discuss or access applicant or resident information contained in files unless there is a business reason to do so. The improper disclosure of applicant or resident information by staff may result in disciplinary action.

3. Social Security Numbers

As it relates to the Social Security numbers of applicants and residents, the PRPHA will:

- a. Maintain the confidentiality of the Social Security numbers that it receives and maintains in the ordinary course of business;
- b. Limit the internal use to those functions where the use of the Social Security number is the only reliable method available to ensure that the correct applicant or resident has been identified;
- c. Limit access, whether in hard copy or electronic format, to those persons with the PRPHA who have a need to access that information;
- d. Properly dispose of documents which contain Social Security numbers to ensure their confidentiality, according with the rules for that matter; and
- e. Prohibit the unlawful disclosure of Social Security numbers by its employees.

Part 2: Service and Reasonable Accommodation Policy

1. One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the Program.

2. The PHA must ensure that persons with disabilities have full access to the PHA's programs and services, if qualifies. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the Public Housing Program.

3. The PHA must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet Lease requirements or other requirements of tenancy.

4. The PHA will ask all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the Puerto Rico Public Housing Administration.”

5. The offices of contact shall be the PRPHA's Fair Housing and Equal Opportunity Office, PRPHA's Regional Offices and Project Administration Office.

2.2.1 Definitions

1. Reasonable Accommodation

A “reasonable accommodation” is a change, exception, or adjustment to a rule, policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. The policies and services from the PRPHA may have a different effect on persons with disabilities than on other persons. For example, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling unit or public areas.

2. Adaptable Dwelling

An adaptable dwelling is the change of certain elements of an accessible unit such as: bump, sinks, washbasin and bars to get to be added, raised, descended or altered of any another way to accommodate them to the needs of people with different types or levels of disabilities and don't result in economic burden the PRPHA.

2.2.2 Consideration for Reasonable Accommodation

1. The PRPHA must make accommodations according with this policies and procedures. If it is necessary and reasonable must make certain structural modifications for people with disabilities (applicants, tenants, staff and contractors) according with the policy and procedure of reasonable accommodation.

2. The PRPHA cannot refuse to make a reasonable accommodation in rules, policies, practices or services when such accommodation may be necessary to afford a person with a physical or mental impairment an equal opportunity to use and enjoy a PRPHA dwelling unit, including public and common areas, whenever the person comply with the requirements of the Public Housing Program.

3. The PRPHA should carry out changes in the existing facilities, when these changes are requested by a person with disabilities, and if said modification is reasonable and necessary to provide the equal opportunity to use in the facilities of the PRPHA.

4. Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create or impose an “undue administrative and financial burden” on the PRPHA, or fundamentally alter the nature of the program or services.

5. In determining whether an accommodation would create an undue hardship, the following factors will be considered:

- a. The nature and cost of the accommodation needed;
- b. The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation;
- c. The number of persons employed at such facility, the number of families likely to need such accommodation, the effect on expenses and resources, or the likely impact on the operation of the facility as a result of the accommodation; and
- d. Any alteration or modification that may impact the physical structure and stability of facilities as it relates to the building codes or other applicable requirements.

6. When it is reasonable, the PRPHA shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- a. Conducting home visits;
- b. Transferring the family to an accessible unit;
- c. Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability;
- d. Installing a ramp into a dwelling unit or building;
- e. Installing grab bars in bathrooms and toilet areas;
- f. Installing visual fire alarms for hearing impaired persons;
- g. Allowing a PRPHA-approved live-in aide to reside in the unit;
- h. Providing a designated handicapped-accessible parking space;
- i. Allowing an assistance animal;
- j. Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PRPHA staff; and

k. Displaying posters and other housing information in locations throughout the PPRPHA's office, 54" from the floor, in such a manner as to be easily read from a wheelchair.

7. All requests for accommodation or modification to a unit will be verified by qualified PRPHA designated staff.

8. The PRPHA will engage with public and private organizations which provide assistance for hearing and sight-impaired persons when necessary to permit the applicant, resident, PRPHA employee and Contractors to conduct business with the PRPHA.

9. Requests for reasonable accommodation shall be submitted in written form. Requests forms for reasonable accommodation are available in the administrative office of projects, regional offices and Fair housing and equal opportunity office. The policy and procedures for reasonable accommodations of PRPHA may be consulted at any time.

2.2.3 Request for an Accommodation

1. If an applicant or tenant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed due to a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made. The family must explain what type of accommodation is needed to provide the person with the disability, full access to the PHA's programs and services. If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability.

2. The PRPHA will expect the family to make its request in writing using a reasonable accommodation request form. If the person with disabilities deserves the aid or assistance of a representative or need support to complete the form of reasonable accommodation, will be able to have these. However, the PRPHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2.2.4 Verification of Disability

1. A person with a disability, as defined under federal civil rights laws, is any person who:

a. Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or has a record of such impairment, or is regarded as having such impairment.

b. The phrase "physical or mental impairment" is applicable to persons who have: (i) Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive;

digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

c. 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.

2. The definition of a person with disabilities does not include current illegal drug users, people whose alcohol use interferes with the rights of others, and persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the Public Housing Program.

3. The above definition of disability determines whether an applicant or tenant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations. The determination should be supported for the conclusions through the verification process of the information established in the regulations of the Public Housing Program.

4. The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses, and may be used for waiting list preferences.

5. When verifying a disability, the Agency will follow the verification policies provided in Chapter VII.

6. All information related to a person’s disability will be treated in accordance with the confidentiality policies provided in Chapter XV. In addition to the general requirements that govern all verification efforts also apply the third-party verification must be obtained from a medicine doctor.

7. The Agency must request only the information necessary to evaluate the disability-related need for the accommodation. The Agency may not inquire about the nature or extent of any disability.

8. Medical records will not be accepted or retained in the applicant or tenant file.

2.2.5 Approval and Denial of Accommodation

1. The PRPHA must approve a request for an accommodation if the following three conditions are met:

- a. the request was made by or on behalf of a person with a disability,
 - b. there is a disability-related need for the accommodation, and
 - c. the requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PRPHA, or fundamentally alter the nature of the PRPHA's operations.
2. Requests for accommodations must be assessed on a case-by-case basis. The evaluation should be carried out in a framework of impartiality and without judgments toward the person with disabilities, that impact in a sensitive and just deal to the need of the family.
 3. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the PRPHA at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs, whenever the basic nature of the operation of the Agency will not be alter.
 4. Before making a determination whether to approve the request, the PRPHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PRPHA may verify the need for the requested accommodation.
 5. After a request for an accommodation is submitted, the PRPHA will respond, in writing, within ten (10) business days.
 6. If the PRPHA denies a request for an accommodation because there is no relationship found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the PRPHA's decision by means of the grievance process, established on the Chapter XIII.
 7. If the PRPHA believes that after three (3) meetings of discussion and negotiations with the person, the family has failed to identify a reasonable alternative accommodation, the PRPHA will notify the family, in writing, of its determination, within ten (10) business days from the date of the third meeting of discussion or verbal or writing communication with the family. The notice will inform the family of the right to appeal the PRPHA's decision through an Informal Hearing or the grievance process according with Chapter XIII.

2.2.6 Accessibility for Persons with Visual, Hearing and Physical Disability

1. HUD requires PHAs to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the public housing program and services. At the initial point of contact with each applicant, the PRPHA shall

inform all applicants of alternative forms of communication that may be used in lieu of the written word.

2. When possible, the PRPHA makes available for persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication.
3. When possible, to meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PRPHA staff, assistance will be provided upon request.
4. The PRPHA also allows applicants and tenants to use other forms of communication such as sign language interpretation; having material explained orally by PRPHA staff members. Also, having a third party representative (a friend, relative or advocate, named by the applicant/tenant) to receive, interpret and explain housing materials and be present at all meetings.
5. The PRPHA must comply with a variety of regulations pertaining to physical accessibility, including the following:
 - a. PIH 2002-01 (HA), Accessibility Notice;
 - b. Section 504 of the Rehabilitation Act of 1973;
 - c. The Americans with Disabilities Act of 1990;
 - d. The Architectural Barriers Act of 1968; and
 - e. The Fair Housing Act of 1988
6. The design, construction, or alteration of the PRPHA's facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the PRPHA.

2.2.7 Denial or Termination of Assistance

1. If the PRPHA decides to deny or terminate the assistance of a family that includes a person with disabilities, this decision is subject to consideration of reasonable accommodation.
2. When assistance to applicants with disabilities is denied, the notice of denial must inform the person or family of their right to request an informal hearing. When a family's lease is terminated, the notice of termination must inform the family of its right to request a hearing in accordance with the PRPHA's grievance process.

3. When the family shows that the situation that motivates the refusal or the termination of assistance was turned out of a good cause, the PRPHA will reviewing reasonable accommodation requests, and must consider whether reasonable accommodation will allow the family to overcome the problem that led to the PRPHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PRPHA will make the accommodation.
4. PRPHA must provide reasonable accommodation for persons with disabilities to participate in the hearing process.

Part 3: Accessibility and Plain Language

1. Facilities and programs used by Applicants and Tenants shall be made accessible. Admission and Management Offices, hearing rooms, community centers, laundry facilities, and other public spaces will be available for use by applicants and tenants with disabilities. If these facilities are not already accessible (and located on accessible routes), they will be made accessible so long as this does not impose an undue financial and administrative burden on the PRPHA.
2. Documents intended for use by applicants and tenants will be presented in accessible formats for those with vision or hearing impairments and they will be written simply and clearly to enable applicants and tenants with learning or cognitive disabilities to understand as much as possible.
3. At the point of initial contact, PRPHA staff shall ask applicants or tenants whether they need some other form of communication additional to the printed form. Some alternatives may include: sign language interpretation, having materials explained orally by staff, either in person or by phone, large type materials, information on tape, and having someone (friend, relative or advocate) accompany the applicant to receive, interpret and explain housing materials. The PRPHA may pay, when possible, for sign language interpreters for the hearing impaired.
4. Some applicants and tenants may be Limited English Proficiency Persons (LEP) and this can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the Federal Register.
5. The PRPHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP). LEP persons are defined as

persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are public housing applicants and tenant families.

6. In order to determine the level of access needed by LEP persons, the PHA will balance the following factors:

- a. the number or proportion of LEP persons eligible to be served or likely to be encountered by the Public Housing Program;
- b. the frequency with which LEP persons come into contact with the Program;
- c. the nature and importance of the program, activity, or service provided by the program to people's lives;
- d. the resources available to the PRPHA and costs.

7. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PRPHA.

2.3.1 Oral Interpretation

1. In a hearing room or situations in which health, safety, or access to important benefits and services are at stake, the PRPHA will generally offer, or ensure that the family is offered through other agencies, competent interpretation services free of charge to the LEP person, when not available in the PRPHA.

2. The PRPHA will analyze the various types of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken.

3. Whenever feasible, the PRPHA will train and hire bilingual staff to be available to act as interpreters and translators, and will standardize documents. Where available and possible, the PRPHA will encourage the use of qualified community volunteers.

4. When the LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PRPHA. The interpreter may be a family member or friend.

2.3.2 Written Translation

1. Translation is the replacement of a written text from one language into an equivalent written text in another language.

2. In order to comply with written-translation obligations, the PRPHA will provide written translations of vital documents. Translation of other documents, if needed, can be

provided orally. The PRPHA will inform applicants and tenants by means of a written notice in the primary language of the LEP persons, stating the right to receive competent oral interpretation of those written materials, free of cost.

CHAPTER III - ELIGIBILITY FOR ADMISSION

Introduction

This chapter defines the policy of the PRPHA to allow or deny admission to public housing program. Determining eligibility of applicants is one of the first steps in the admissions process. Although the term "eligible" is often used as "qualified for admission", that term has a technical meaning that less and does not cover all aspects of the qualification process.

The staff at the PRPHA carefully reviewed and analyzed, as required by HUD, any information provided by the family. Families will have the opportunity to explain their personal circumstances, to provide additional information if necessary and to obtain information about the decision of the PRPHA regarding your eligibility.

Chapter III consists of four (4) parts:

Part 1: Definition of the Family and its Members

Part 2: Basic Eligibility Criteria

Part 3: Notice of Eligibility for Admission or Rejection

Part 4: Informal Hearing Applicants for Public Housing Program

Part 1: Definitions of the Family and its Composition

3.1.1 Family and household composition (24 CFR 5100, 24 CFR 5403)

To be eligible for admission, an applicant must qualify as a family. A family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:

(1) A group of persons consisting of two or more persons regularly living together, related by blood, marriage, adoption, custody, or by operation of law; OR two or more persons who are not so related, but are regularly living together. This includes:

a. A family with or without children, : This also includes including children who are temporarily absent under temporary care or custody, including placement in foster care, children who are under custody, or children not yet born (only applies to units designated under the Tax Credit Program) and children in the adoption process who are considered family members for purposes of determining the size of the bedrooms, but they are not considered as members for determining income limits.

b. Elder Family: A family whose head (including co-head), spouse, or sole member is a person 62 years of age, or two or more persons living together who are at least 62 years of age, or one or more persons living with one or more live-in aides (companions who care for and assist disabled individuals people in their daily lives).

c. Near Elderly Family: A family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but less than 62 years; 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.

d. Disabled Family is a family whose head (including co-head), spouse, or sole member is a disabled person, or two or more disabled persons living together who are disabled, or two one or more persons with disabilities living with one or more live-in aides (companions who care for and assist disabled individuals people in their daily lives).

e. Remaining member of a tenant: a person who is mentioned in the lease of a public housing unit and is (the) one (s) Member (s) left (n) of the family. Live-in aides, children or an elderly person living outside the unit living in a nursing home, do not qualify as outstanding remaining members of the family. A minor as defined by law, can be considered as a remaining member only if an adult allowed was permitted to joining the home through a lease, has legal custody of the minor, has legal guardianship and comes to live with the minor.

(2) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person.

3.1.2 Head of Household

Head of the Family is one adult family member who is regarded as the leader for purposes of determining eligibility based on income and income determination. Must have the legal capacity to enter into a lease under applicable laws. The Head of Household is responsible for ensuring that the family meets all its responsibilities under the program. A child who has been emancipated according to law may be appointed as Head of Family. Families can designate an elder or an incapacitated person as Head of Household only that the family qualifies as an elderly or disabled family.

3.1.3 Spouse

The Spouse is the person legally united in marriage to the Head of Family and dissolving

that relationship would be the person must be divorced or receive a marriage annulment. An emancipated minor and married according to the law could qualify as a husband or wife. A husband or wife qualifies as a dependent.

The term Spouse does not apply to friends, who live together, or any other person other than a marriage partner. For marriages under the laws of Puerto Rico, the term spouse.

3.1.4 Other Adult

Under the services and benefits of the Public Housing Program, Other Adult means a family member, other than the head of household, spouse and that is more than twenty one (21) years of age. Adults and persons under temporary care companions who provide assistance or daily attendance are not considered as Other Adults. Other Adult does not qualify as dependent.

In Puerto Rico the age of majority is reached at twenty one (21) years or at emancipation. The Public Housing Program provides direct services to eighteen (18) years and twenty (20) years persons not emancipated by the requirement for the appearance of the parent or guardian to filing the application and for admission to the Program. The signature of the father, mother or legal guardian meets or supplies the deficiency of the minor, according to the Civil Code of Puerto Rico.

3.1.5 Dependent

A dependent is a family member under 18 years of age not emancipated or other person of any age with a disability, or a full-time student.

A full-time student is someone who attends a school or receive vocational training full time. The time must be spent or the burden of studies needed to be a full-time student is defined by the educational institution.

These people may not be considered as dependents: the head of household, spouse, guests, children or adults under temporary custody.

Those dependent on custody, shall be a member of the family living with the applicant's family or a resident of fifty (50%) percent or more of the time. When more than one applicant or assisted the family (regardless of the Program), claiming the same dependents as members of the family, family with primary custody at the time of the initial interview to the time of annual re-examination, may claim the dependent. If there is a conflict for which the family must claim the dependent, the PRPHA will make a decision based on evidence available, such as court orders, or the income tax return showing that the family has claimed the dependent for income tax purposes of contributions. Also consider that a parent who is the custodian of the children in the study period.

3.1.6 Live in Aides (Persons who aid or assist others in your household)

A person who assists or helps others and living in the home, (lives in aide) is not considered a family member and is not covered by the rights and benefits of the contract. Such assistants may only live in unity with the approval of the PRPHA. Will need to provide a written verification from a professional about the need for an assistant or helper will be required to certify that an assistant or helper needed to provide care to a family member who may be an old man, almost an elder or incapacitated person. Further, to be approved to accompany the individual does not live in the unit except to provide care to the elderly, most elderly or disabled person.

The PRPHA approve the live in aide person under a request for special accommodations. Such special assistants, a member of the household is not a member of the family and their income will not be counted in determining eligibility of the family, the level of profits or income calculation. These helpers do not apply the requirements or regulations applicable to persons who are not citizens and not be considered as remaining members of the family. People who provide special care must comply with the procedures of the Agency while in the premises of the PRPHA. The relatives of head of household which do comply with the fourth degree of consanguinity, such as father, mother, son or grandson shall not be automatically excluded from care assistants but they must meet all the requirements described above.

The request for permission to seek a special care must be submitted in writing. The written verification will be requested on behalf of the PRPHA and come from a professional or medical doctor qualified that certify the medical condition and that an assistant or helper is needed to provide care to a member of the family, which may be an old man, almost an elder or disabled person. The PRPHA will require a certification from the family stating that this person is not obliged to support economically the person in need of special care and that this person does not live in the unit and will only be present to provide care to elderly most elderly or disabled person.

The PRPHA has the right to deny an application for individual care or revoke an approval if the person commits fraud, bribery or other corrupt criminal act in connection with any federal housing program, or the person currently owes money for income or any other concept to PRPHA or other Public Housing Agency in connection with housing programs and Section 8 (Housing Choice Voucher).

The PRPHA must notify the final decision in writing within a period of seven (7) days after receipt of the request and the required documents to apply for a special care.

3.1.7 Child and Adult under Temporary Care

A child in temporary care is one that is under the legal custody of a guardian, guardian or custody of the state or private agency for adoption or temporary care agency. However,

the child may be cared for by people at home are under a special arrangement for short or long term care agency.

Children in temporary care living with a family or resident applicant are not considered family members. The admission of children in care is not temporary in annual income of families and children in care do not qualify for a temporary deduction as a dependent.

3.1.8 Visitor or Guest

A visitor or guest is defined as any person who temporarily resides in the dwelling unit with the consent of the lessee. The Head of Household will be responsible for the conduct of their guests and visitors within the unit and in the common places in the vicinity or near the premises of the PRPHA.

A family must notify the resident PRPHA when guests or their guests will stay in the unit for more than three (3) days. The PRPHA allows, as your discretion, a visitor to stay in the unit for a period not to exceed ninety (90) consecutive days or a total of ninety (90) cumulative calendar days during a period of twelve (12) months.

The PRPHA request a family to provide a certification attesting that his guest or host is not obligated to provide any support for family needs and the person do not receive economic support from the family during the stay, and not continue to live in the unit except for the time approved by the PRPHA. The Head of Household will also be required to provide proof of permanent address of your visitor or guest at the moment of the authorization request.

Guests or visitors who use the postal address of the unit's own benefit or for any other purpose shall be considered non-residents or occupants permitted. Additional, guests or guests who stay in the unit beyond the allowable time limit will be considered unauthorized occupants and their presence in the dwelling unit shall constitute a violation of the Contract Leasing jeopardizing the continued occupation of the family.

The PRPHA has the right to refuse any application for a visitor or guest, as your discretion. PRPHA may cancel an approval if the visitor commits perjury, fraud, bribery or other corrupt or criminal act in connection with any federal housing program, or if that person has criminal record related to illegal drugs or violence, or if the visitor owes money for rent or any other concept to PRPHA or other Public Housing Agency in connection with Housing Programs Section 8 (Housing Choice Voucher). The PRPHA refused the request to a visitor who has been evicted from a housing project financed by the Federal Government.

The PRPHA should notify in writing their final decision within a period of ten (10) working days after receiving the request and the documents required to apply for a visitor's permit or guest.

A Head of Household may request an exception to this policy for extraordinary reasons that justified an extension to the stay of the visitor in benefit of a member of the family. For example, to provide caring for a relative who is recovering from a medical procedure that is expected to last ninety (90) consecutive days. This exception will not be granted unless the Head of Family can identify and provide documentation of residence to which the person will return after recovery y present documents that accredited the exceptional circumstance as require for the PRPHA.

Children under a shared custody arrangement or that the family has visitation rights and are not included as members of the family because they live more than fifty percent (50%) of the time in another place, are not subject to the time constraints have visitors or guests of the family.

3.1.9 Family Members Absent

Generally an individual who is or will be absent from the public housing unit for ninety (90) days or less is considered temporarily absent and will be regarded as a family member. Generally, an individual who is or will be absent for more than ninety (90) consecutive days will be considered permanently absent and excluded as a family member.

Below are discussed several exceptions:

1. Absent Students

When a person is considered a family member attending a school far from home, this person is still considered a family member, unless the PRPHA receives information that this person has established the residence in the place on this person study. The head of household must submit documentary evidence of the school. The student must comply with the conditions of the lease.

2. Absences due to placement in temporary foster care

Children temporarily absent from home because they have been assigned to temporary foster care are considered family members.

If a child has been placed in temporary foster care, the PRPHA corroborated with the agency that placed the child the date when he is expected to return home again. Unless the PRPHA confirm that the child has been permanently removed from their homes, children continue to be regarded as a family member.

3. Head of Household, Husband or Spouse

A head of household, spouse or husband employed, for reasons due to their use

must be absent from the dwelling unit for more than 90 days will remain as a member of the family, where it can be comply with its obligations under the lease and applicable regulations.

4. Persons admitted for medical reasons

An individual permanently confined to a clinic or hospital care, is not considered a family member.

If there is a question about the health status of a family member, the PRPHA asked for the verification of a responsible medical professional that certify the medical condition and use this certification for the determination. If the responsible medical professional cannot provide a medical certification, as general rule, the PRPHA consider the person temporarily absent. The family may present evidence that a family member have been held permanently in a health facility and ask PRPHA that this person is not considered as a family member.

5. Return of family members who were permanently absent

The family must apply for permission or approval of the PRPHA when a family member declared permanently absent, returns home. This person will be subject to verification and eligibility requirements previously discussed in Part 2 of this chapter.

3.1.10 Segregation of Family and remaining members of the Family

During the application process, a family on the waiting list could be split or separate into two (2) or more eligible families. Only one of the new families may retain the date and time of the original application. The other family members can file a new application, if the Waiting List so permits.

If a family currently lives in public housing programs are divided into two new families eligible, only one of the new families continue to be assisted. The other family can file an application for public housing separate and independent of the first.

In case of divorce, if a court of law determines the legal custody of children, the PRPHA will obey the determination of the court and considered as a Head of Household the parent to whom the court grants custody of children, this would not prevent the other parent to apply for housing benefit in a separately and independently manner. If there are no children in the family composition, the PRPHA shall comply with any judicial determination for this purpose.

In the absence of a judicial decision or an agreement among the members of the original family, the family kept PRPHA will determine its position on the waiting list, or who

continue to occupy the dwelling taking into account the institutional commitment to protect the interests of children or minors. The PRPHA will set the criteria to be considered and the determination to follow procedure.

Part 2: Basic Eligibility Criteria

3.2.1 Qualifications for Admission to Program

The PRPHA qualified applicants and accept only these satisfy the following basic requirements:

- Being a family as defined in this Chapter.
- Being the head of a family home in which at least one family member is a citizen or "eligible non-citizen" for purposes of determining rent.
- Have a family income not exceeding, in the time of admission, the limit of low income set by HUD.
- Provide a Social Security number for all family members or certify in writing that some members have no social security number.
- Meet the selection criteria for applicants described in Chapter IV.
- Do not reside in a dwelling unit of PRPHA when allocating housing. Applicants who are registered in a contract with the PRPHA and wish to become Chief of Family in another dwelling unit, must apply as if it were a new admission and follow the admissions process;
- Not having debt for rent and other miscellaneous charges with any federal housing agency, and
- Sign all documents required consent.

3.2.2 Eligibility and Income Limits

HUD is required to establish the income limits that determine eligibility of applicants for programs to assist public housing. The income limits are published annually and are based on HUD estimates made by taking the average income in a particular area of the country, with adjustments according to family size.

HUD may establish income limits higher or lower than 30, 50 or 80 percent of the area median income if HUD finds that such variations are necessary because household incomes are not normal, either because very low or very high.

For purposes of the admission policies and continued occupation, households with low income, very low-income and extremely low defined according to 24CFR5.603.

Consequently, the following definitions apply:

1. Low-income families: A family whose annual income does not exceed 80% of the area median income, adjusted to family size.
2. Very low income families: A family whose annual income does not exceed 50% of the area median income, adjusted to family size.
3. Extremely low-income family. It is a family whose income does not exceed 30% of the area median income, adjusted to family size.

The income limits are used for purposes of initial eligibility during the admissions process. Eligibility is established by comparing the annual income of the family with the income limits published by HUD. To be eligible for income a family must qualify as a low-income family.

PRPHA aims to obtain, over a reasonable period of time a resident population consists of all their projects for low-income families, but with a diverse range of income. The PRPHA will work for that each project will include homes with a wide range of income that generally represent low-income families in Puerto Rico. However, according to HUD requirements, admissions from families whose income does not exceed thirty percent (30%) of the area median income may not be lower than forty percent (40%) in any fiscal year.

To achieve and maintain the basic objective of providing housing to households with an income range of the PRPHA, review its waiting list to determine if a representative mix of low income, very low and extremely low income. If there is a mix of revenue, the PRPHA will consider strategies to encourage a broader mix of income, including but not limited to conduct outreach efforts focused on certain areas to achieve their goals or setting preferences for admission.

3.2.3 Social Security Number Required

Each family member has a valid Social Security card is required to disclose and present social security number. This requirement also applies to members who join the family after it has been admitted to the shelter. Failure to provide social security number justifies the refusal of admission or cancellation of the lease.

If a family member has no Social Security number, he or she or their parents or authorized guardian must sign a certification stating that such person has no Social Security number.

The certification must include:

- Full name of individual;
- Place and date of birth;
- Claiming that no such person has been assigned a Social Security number and the reasons;
- Stating that the person disclose the Social Security number, if you get the number in the future and
- The certification shall be signed by the individual or their parent or guardian and must include date approved.

The PRPHA can use official documents of other federal or State Government agencies to verify the social security number. For the determination of eligibility for continued occupation, the residents of sixty-two (62) years or older as of January 31, 2010, shall be exempt from present evidence of their social security. The PRPHA provides that in cases that warrants include a child of six (6) years as part of the family composition, may be the member through the creation of an alternate identification number and the granting of ninety (90) days to the head of family to present a valid evidence of the minor's social security.

The AVP shall comply with the provisions on Notice PIH2010-03 (HA) for the verification of the social security numbers or any HUD's instruction of this matter.

3.2.4 Citizenship or Eligible Immigration Status

Section 214 of the Law on Housing and Community Development 1980 and its amendments restrict HUD to provide financial assistance to people who are not citizens, unless they meet one of the categories of legal immigration status specified in Section 214.

The federal housing assistance is available only to citizens of the United States of America, belonging to national territorial possessions of the United States, (hereafter referred to as citizens and nationals) or persons with lawful immigration status and eligibility. In at least one family member must be a citizen or national, or have an eligible legal immigration status in order to qualify for any level of assistance.

All applicant families must be notified about the requirement to submit evidence of their citizenship status when applying. As far as reasonable and in accordance with the Plan of the Agency's limited English proficiency (LEP) the notice must be published in a language of knowledge, the person is not fluent in English.

HUD requires that each family member declares whether he is a citizen, national or

immigration status is legal and eligible. Those who choose not to have to prove eligibility status shall be deemed ineligible.

For citizens, nationals and those with eligible immigration status of the declaration should be signed personally by the head of household, husband, and any other family member older than eighteen (18) years and a parent or guardian of minors. The family must identify in writing those family members who choose not to prove their immigration status. A person attending or helping others (guides), children or adults under temporary custody are not required any kind of statement.

The citizenship or immigration status of each eligible family member must be determined, regardless of age. The declaration of an adult will have to be signed by him. For a minor, the declaration must be signed by an adult (which reside in the dwelling) who is responsible for the minor. In every new addition to the family, whether adult or child is need determine the citizenship or immigration status prior to admission. Evidence of eligible immigration status is required only once for each household member applying for the continued occupation.

Before being admitted, all citizens need to sign the declaration of Section 214 under penalty of perjury. Applicants and household members are required to show proof of their status by providing at least two (2) of the following documents in original or certified copy:

- Birth Certificate
- Passport
- Certificate of Baptism
- Military ID
- Military Form DD 214

Family members who are citizens or are not nationalized not require additional information from the above, unless the PRPHA receives information indicating that an individual's statement is not accurate.

In addition to the declaration signed before being admitted, the family members who declare themselves to be "citizens not eligible" need sign a form consenting to the investigation and cooperate with the efforts of the PRPHA to verify their immigration status.

The documentation required to establish the status of eligible citizens do not vary depending on such factors as: the date the person entered the United States, the conditions under which their immigration status was granted, and the person's age. Citizens who are not eligible and sixty-two (62) years of age must sign a statement about his immigration status, the consent form and provide verification of original documents from the Department of Immigration and Naturalization Service (INS).

Those who are not citizens and do not wish to prove their immigration status must provide their name for it to be included in a list of family members who do not wish to prove their immigration status. This list must be signed by the head of household, the husband or wife or partner (regardless of citizenship status) and it should indicate the status of their ineligibility. The PRPHA is not required to verify the status of ineligibility for a family member and does not require the Agency to report the presence of individuals who are illegally in the United States Department of Citizenship and Immigration Services.

The housing assistance to students who are not citizens is prohibited. This prohibition extends to the wife or husband who is not citizens, including children who accompany or join the student is not that non-citizen. This prohibition does not extend to the husband or wife of a student who is not a citizen, if the husband or wife is a legal citizen. The same applies to children of this family. This family is eligible for family assistance apportioned as mixed.

A mixed family is eligible for admission if at least one family member is a citizen, is nationalized, or eligible non-citizen. Families that include eligible and ineligible individuals are considered mixed families. These families will be informed that its assistance or aid is apportioned, and which may request a hearing if the family does not agree with the determination.

The PRPHA must verify eligibility on the immigration status of new members when the Head of Household request the inclusion of the member in the Lease Agreement.

3.2.5 Consent to Disclose Information for Families

HUD requires that each adult family member, and the head of the family, spouse, or partner regardless of age, sign the form HUD-9886 Authorization to disclose information and consent forms as required by the PRPHA to gather the information necessary to determine the eligibility of the family and the assistance they receive.

The PRPHA will deny admission to the program if any family member or applicant does not submit the signed consent forms that allow the PRPHA to obtain information it considers necessary to administer public housing programs.

PART 3: Notice of Eligibility or Denial of Admission

3.3.1 Notification of eligibility or ineligibility

For a family that does not meet the eligibility criteria that are discussed in Parts II and III will be denied admission.

Additionally, HUD requires or allows the PRPHA to deny admission based on certain types of conduct of current or past members of the family, as discussed in this Part. The

authority of the Agency in this area is limited by the Violence Against Women Act of 2005 (VAWA). That law expressly prohibits denying admission to applicants qualified by the fact that this person has been the victim of domestic violence or persecution.

3.2.2. Obligation to Deny Admission

HUD requires the Public Housing Administration to deny assistance if:

1. If any applicant family member has been reported in the last three (3) years for drug-related criminal activities. Drug-related criminal activity is the illegal production, sale, distribution, or use of any drug or drug possession with intent to manufacture, sell, distribute or use drugs as defined in section 102 of the Substances Act controlled [21 USC 802]. Related activities including drugs they have been made within or outside the premises of the PRPHA. The PRPHA may be admitted to an eligible family was evicted from an assisted living by the federal government in the last three (3) years for drug-related criminal activity, if the agency verifies that the household member involved in such criminal activity has completed a rehabilitation program approved by the Agency or the person who committed the criminal activity no longer resides with the family.
2. If the PRPHA has reasonable cause to believe that a household member is currently using illegal drugs.
3. If the PRPHA is reasonable evidence to believe that a household member for his history of abuse or current abuse or current abuse or past abuse of alcohol, would endanger the health, safety or right to peacefully enjoy the premises by other residents. In determining reasonable cause, the PRPHA will consider the entire evidence probable, but not limited to, records of lawsuits or judgments, arrests, evictions or family members linked to the use of illegal drugs or abuse alcohol, incidents reports from the Management Agents. A sentence will have more weight than an arrest. The PRPHA will also consider evidence from people who provide treatment or community organizations that provide rehabilitation services to household members.
4. If a family member has been sentenced for criminal activities related to the production of drugs such as meta-amphetamine, at the premises of assisted housing by the federal government. This represents ineligibility for life.
5. If any family member has been subject to registration for the rest of his life in a state registration of sex offenders. This represents ineligibility for life.

3.3.3 General Eligibility Criteria

The PRPHA has set standards prohibiting the admission of applicants to public housing programs, whether these are involved in criminal activities or if the PRPHA is reasonable evidence to believe that a household member could jeopardize the health, safety or right to peaceful enjoyment of the premises of any other resident or employee because of his history of abuse or current abuse or current abuse or history of alcohol abuse.

The PRPHA is responsible for verifying the behavior of the family and whether it should be considered for entry into the program. Hence, the Agency considers that an applicant's criminal history involving crimes of physical violence to persons or property and other criminal acts adversely affect the health, safety or welfare of other tenants.

The PRPHA has also established criteria to refuse admission or continued occupation based on past conduct and other criminal activities. If any member of the family is currently involved or has been involved in any criminal activity listed below, depending on the terms set forth in this policy, the family is not admitted:

1. **Other Criminal Activity** - means a history or record of criminal activities related to violence or threats to use violence toward other persons or property, or any other record of criminal activity or conduct which could adversely affect the health, safety or welfare of other residents or employees of the PRPHA.
2. **Violent Criminal Activity** - means any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force or violence sufficient to cause or could cause serious personal injury or private property, including domestic violence and child abuse.
3. **Criminal Sexual Conduct** - means any sexual offense, including but not limited to rape, sexual assault, incest, indecent or immoral acts or abuse of children, adversely affecting the health, safety or welfare of other residents or employees of the PRPHA.

3.3.4 Evidence

The evidence of the family record of such criminal activity include, but are not limited to any records of protection orders, judgments, arrests, evictions or criminal activities because of drug-related, tentative or violent criminal acts perpetrated by a household member.

HUD allows the PRPHA to deny admission based on relevant information about the behavior or past behavior of the family and its ability to be a tenant. In case of unfavorable information with respect to an applicant, the PRPHA must consider the time, nature and extent of the conduct of the applicant including the seriousness of the

offense. The PRPHA may also consider whether the cause of unfavorable information is that the applicant has been a victim of domestic violence, persecution, or stalking.

1. The agency refused admission to an applicant family if it is determined that the family:

Family Actions	Ineligibility Cause	Penalty Term
People registered for life in a state registry of sex offenders	Criminal Activity	Ineligible for Life
People convicted by the production and distribution of methamphetamine on the premises of an assisted housing with federal funds.	Criminal Activity	Ineligible for Life
Drug-related criminal activity on or off the premises of an assisted housing with federal funds.	Criminal Activity	3 years
Other criminal activities no related with drugs.	Criminal Activity	2 years
Exceed the maximum income limits	Income Limits	Until qualifying
The family has a record of not fulfilling their financial obligations, including leases for the past 5 years.	Breach of contract in subsidized programs with federal funds	2 years
The family has a record of causing disturbances with their neighbors, destruction of property, or bad habits or cleaning in the last 3 years, which could	Breach of contract in subsidized programs with	2 years

endanger health, safety or welfare of other tenants.	federal funds	
The family has been evicted or terminated the assistance in subsidized programs with federal funding in the last 3 years.	Breach of contract in subsidized programs with federal funds	2 years
The family owes rent or other sums of money to the Agency or any other agency or owner, in connection with any housing program subsidized with federal funds.	Breach of contract in subsidized programs with federal funds	2 years
The family has provided inaccurate information, false or incomplete information regarding your eligibility, including income, special treatment for admission, costs, family composition or leases.	False Representation	Ineligible for Life
The family has committed fraud, extortion, or any other corrupt or criminal act in connection with any federal housing programs.	Breach of contract in subsidized programs with federal funds	2 years
The family has participated in or has threatened the staff of the PRPHA with violence or abusive behavior.	Violent Conduct	2 years

Abusive or violent behavior against staff of the PRPHA includes verbal abuse, physical violence. The use of racial epithets or any other written or oral language, which is generally used to intimidate can be considered abusive or violent. Threats relate to physical gestures, verbal threats or oral interpreting or imply intent to abuse or violence.

3.3.5 Factors of Evidence

The PRPHA will consider the existence of documents such as job loss or other financial hardship before denying assistance to an applicant family if it for such reasons, could not

meet its financial obligations. Supporting factors are factors in the applicant's file related to difficulties in paying the rent or misconduct shown after scrutiny:

1. why there is a record of not paying the rent or the reasons why there was misconduct in the past,
2. the current status of rent payments and conduct,
3. the potential of the applicant to comply with the lease.

To the factors supporting documents may be accepted in the research process of the PRPHA such circumstances must be verified.

If the circumstances stated by the applicant documents related to change in disability, medical condition, or course of treatment, the PRPHA has the right to refer such information to qualified individuals or individuals with sufficient knowledge to assess the evidence and to verify them.

The PRPHA will also have the right to request additional information necessary to verify the circumstances, evidence, even if such information is of a confidential medical nature. These investigations are limited to request the information necessary to verify the mitigating circumstances, or in the case of a person with a disability to ensure reasonable accommodation.

3.3.6 Verification of Eligibility

Under the Act, the Quality Housing and Work Responsibility (QHWRA) of 1998, Section 578 and Section 5903 of Volume 24 of the Code of Federal Regulations, Part 5 (2CFR5.903), the PRPHA is authorized to obtain records or files containing criminal records, FBI, state and local police agencies and other offices that impose the law, in order to verify the eligibility of applicants, execute the Contract and make eviction. To get access to these records the criminal PRPHA requires each family requesting assistance to sign a Certificate of Consent. This certification must be signed by each adult household member older than eighteen (18) years. PRPHA may also request the records of juveniles who have been sentenced as adults.

The PRPHA corroborated the criminal record to determine if any adult family member has been involved in criminal activities or drugs or was a sexual predator and must comply with the requirement of registering as such in a register State sex offenders.

The PRPHA is also authorized to request and obtain information from applicants to agencies for treatment of drug use or abuse. Treatment Agency for Substance Abuse is an entity that is projected to provide community services for diagnosis, treatment, or

recommended to other agencies for treatment of abuse of illegal drugs and can be identified as a unit within an agency or clinic for general care or an entity in itself.

The PRPHA will investigate all applicants for adults whether they use or have used any illegal controlled substance and whether they are currently receiving or had ever received treatment at a treatment agency for substance abuse.

All adult applicants who respond affirmatively required to sign a written consent that allows the PRPHA to receive information from the Agency for the Treatment of Drug Abuse, indicating only that the agency has reasonable cause to believe that the applicant is currently using illegal controlled substances. The authorization will be sent to the Agency for the Treatment of Drug Abuse and receive a permit as PRPHA

The PRPHA will keep the information received in absolute confidentiality. This information is not inappropriately disseminated and will be destroyed after a period of five (5) days after the date on which the PRPHA make your final decision to admit the person as a family member under the Public Housing Program.

If the application is denied or revoked, the evidence in the possession of PRPHA from the Agency for the Treatment of Drug Abuse to be destroyed immediately.

The PRPHA will document in the archives of the family that the family was denied admission or residence was canceled because of evidence of the Agency for the Treatment of Drug Abuse.

3.3.7 Research Process for determining capacity as Tenant

The PRPHA will deny admission to applicants whose habits and practices could reasonably have a negative effect on the operations of the project or neighborhood or the quality of life for its residents.

The PRPHA will interview all applicants in detail. The interview will consist of questions designed to assess the ability of applicants to meet residence requirements. Most questions are subject to verification by third parties. The distortion of information from an applicant regarding your eligibility, preference for admission, record of housing allowances, family composition or income will result in denial of admission.

Applicants must demonstrate the ability and willingness to comply with the terms of the lease, either alone or with the assistance of others, which must be shown upon admission.

The minimum age imposing the PRPHA to admit a Head of Household is eighteen (18) years. The PRPHA will not allow a parent or legal guardian sign the contract on behalf of a Head of Household less than eighteen (18) years.

As part of the final determination for admission, the PRPHA will investigate each

applicant to assess their suitability as a tenant. For the evaluation, the PRPHA will depend on other sources of information. Those sources could include but are not limited to, the PRPHA records, personal interviews, interviews with owners where the applicant has resided in the past, employers, social workers, probation officers, court and criminal records, clinics, doctors or Agencies that impose law and order.

The investigation of the relevant information from the PRPHA regarding the habits and practices past and present include, but are not limited to an assessment of:

- rent and utilities;
- the care of housing and facilities;
- respect the rights of other residents to enjoy peace in your home;
- criminal activities that pose a threat to the health, safety or property of others;
- the behavior of all household members, and
- compliance with any other essential condition of the lease.

3.3.8 Criteria to refuse admission

The PRPHA must have convincing evidence of the alleged violation and must establish the violation by a preponderance of the evidence. The evidence can be obtained from the following sources:

- Judicial and police records;
- Probation Officer's file;
- Parole Officer's Records;
- Landlord References;
- Social Services Providers;
- Home visits; and
- Reports of the Management Agents

The testimony of neighbors, when combined with other evidence, it can be used in the evaluation. Other evidence may be convincing documentation from a drug investigation, arrest warrant or evidence collected by employees of the PRPHA.

The preponderance of evidence is defined as the evidence that has greater strength or weight or more convincing than the evidence offered in opposition, that is, evidence which as a whole, demonstrates that they are trying to prove is more likely positive to negative. The intention is not to prove criminal charges, but to prove that the events occurred. The preponderance of the evidence cannot be determined by the number of witnesses, if not the greatest weight of the evidence.

3.3.9 Consideration of Circumstances

In the event that the PRPHA receives unfavorable information regarding a person applying for, consider the time, the nature and extent of the person's conduct, including the seriousness of the offense. In a manner consistent with its policies, the PRPHA can give consideration to factors that may indicate a reasonable likelihood of future changes in the conduct of that person.

The Agency will consider the following factors before making your decision, but in no way obliged to make its determination solely by them:

1. the seriousness of the case, especially with regard to how it would affect other residents;
2. the impact that denial of admission may have on other family members who were not involved in the action or lack thereof;
3. the degree of participation or culpability of individual family members, including whether the family member offender is a minor or a person with disability;
4. if the person is a victim of domestic violence, persecution or stalking;
5. the time elapsed since the violation occurred, the recent history of the family and the likelihood of favorable conduct in the future;
6. evidence of participation or willingness of family involvement in seeking social service programs or other appropriate counseling and advice.

3.3.10 Removing the name of a family member of the Application

The PRPHA will impose a requirement of disqualification to the admission to family members who participated or were guilty of an act or failure to warrant the denial of admission. In accordance with provisions of the preceding indents and policies prescribed by HUD and PRPHA, such persons may not reside in the unit.

As a condition of receiving assistance, a family may choose to request to remove the disqualified member. In such cases, the Head of Household must certify, under penalty of perjury, Lease cancelation and eviction, that it will not allow family members to visit or stay as a guest in the unit of public housing.

After admission to the program at the request of the PRPHA, the Head of Household must present evidence that the family member does not reside in the dwelling.

3.3.11 Reasonable Accommodations

If the family includes a person with a disability as a member of the family, the decision of the PRPHA to the admission or exclusion is subject to consideration of such a condition as proof or disqualified to eligibility, as appropriate.

If the family indicates that the behavior of one of its members resulting from a failure condition is the only reason why refused admission, the PRPHA assesses and determines if the behavior is related to disability. In which case the family provide the documentary evidence including a certification of expert as may be necessary to establish such justification. If so, the family should apply to the PRPHA consider establishing alternate measures as reasonable in relation to the condition established. The PRPHA will consider only those reasonable accommodations expected can remedy the behavior of the disabled person and can be verified and certified by a doctor or any other health professional with expertise in disability or alleged status, as determined by the PRPHA. Where the required measures could not be supplemented by the PRPHA due to his cost means that the reasonable accommodation available and the Agency will not be obliged to make up for it.

3.3.12 Prohibition Against Denial of Assistance to Victims of Domestic Violence, Sexual Harassment and Persecution

The Law of Violence Against Women 2005 (VAWA) prohibits denying admission to a person who otherwise would have qualified based on that person is or was a victim of

domestic violence, sexual abuse, harassment or persecution. Specifically, Section 607 (2) of VAWA adds the following provision to Section 6 of the Housing Act in the U.S. 1937, indicating the provisions and requirements of the Public Housing Program:

Each Annual Contribution Contract (ACC) will provide that the public housing agency shall not deny admission to any project otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, sexual abuse, harassment or persecution and that nothing in this Section shall be construed to replace any available federal or state or local law that provides greater protection than that stipulated in this section for victims of domestic violence, sexual abuse, harassment or persecution.

3.3.13 Definitions Relating to the Law on Violence Against Women (VAWA)

1. Domestic violence - includes crimes or minor offenses committed by a former spouse or current spouse of the victim, or a person with whom the victim shares a child in marriage, or by a person who has cohabited or lived together with the victim as a spouse or a person or place in a position similar to that of the husband of the victim in the jurisdiction that receives federal funds and is under the laws of domestic or family violence, or any other person against a victim adult or young person who is protected from acts of such person under the laws of domestic violence or family court.
2. Dating violence - is a type of violence committed by a person which has been or is in a social relationship of a romantic or intimate with the victim, the existence of such a relationship should be determined based on consideration of the following factors: duration and type of this relationship, and frequency of interaction between the person involved in this relationship.
3. Pursuit - Pursuing harass or repeatedly committed acts with the intent to kill, injure, intimidate or harass another person or to monitor a person with intent to kill, injure, intimidate or harass a person carrying a state of fear his life or personal injury or emotional damage caused to that person or a family member of the victim, (linked by marriage or blood) or due to course or as a result of such persecution, harassment, surveillance or persecution or repeated acts.

The PRPHA recognizes that a victim of domestic violence, sexual abuse, harassment or persecution, can have a negative history that could cause the denial of assistance under the policies of the PRPHA. Therefore, if the PRPHA determines denied admission to the

family asks that the history of disadvantage, the PRPHA will include in its notification a declaration of ineligibility for protection against denial of assistance, as the Law on Violence Against Women (VAWA) and give the family requesting the opportunity to provide documentation stating that the cause of the downturn in the family history is because a family member has been the victim of domestic violence, sexual abuse, harassment or persecution.

The documentation should include:

1. A statement writing and signed, under penalty of perjury or certified by a lawyer by the victim of violence or abuse that provides the name of the perpetrator and certify that the above incidents are true incidents of domestic violence, sexual abuse, harassment or persecution, and one of the following:
 - a. A Report of the Judicial Police or a record documenting the abuse or threat.
 - b. A statement signed by an employee, agent, or a person providing a service to the victim, a lawyer, a doctor, or other knowledgeable professional to whom the victim has sought to receive care or treatment to address these threats or abuse . The professional must attest under penalty of perjury that the incidents are real incidents of abuse and the victim must sign or attest the statement.

The applicant must submit the required documentation with a request for an informal hearing must request in writing at that time an extension of time to present the evidence. If the person requesting the extension, the PRPHA will grant an extension of five (5) working days and postponed the hearing informally with the person applying until after they have received the documentation or the extension period expires. If after reviewing the documentation provided by the person requesting the PRPHA determines that the family is eligible for assistance, need not be performed informal hearing and proceed with the PRPHA process of admission of the family.

These victims will have preferential treatment in the Waiting List.

In cases where the family requests that include the perpetrator and the victim of domestic violence, persecution or harassment, the PRPHA will proceed as explained in the previous paragraph but will require further eliminate or remove the perpetrator of the crime home and not allow it to reside in the unit of public housing.

All information provided to the PRPHA related violence, domestic abuse, harassment, persecution, including the fact that an individual is a victim of such violence or abuse, should be kept strictly confidential and will not be sharing information in a database or provide such information to other institutions, with the exception that the information (i)

is allowed or approved by the individual in writing, (ii) the information required for an eviction, or (iii) the information is required by applicable law.

3.3.14 Notice of Eligibility or Denial

PRPHA The applicant shall notify the family of the final determination of eligibility. The information received by the PRPHA will be verified and analyzed, and will make a determination with respect to:

- eligibility of the family that requested;
- eligibility of the applicant with regard to income limits for admission;
- eligibility of the applicant with regard to their citizenship or immigration status, and
- preference category, if any, to which the family is entitled.

Assistance for a family may not be delayed, denied or terminated based on immigration status of a family ineligible, unless and until the family completes the entire verification process and appeals to which they are entitled under the procedures of the PRPHA and immigration, except for a pending hearing with the PRPHA.

For applicants who are determined not ineligible to be admitted will be notified with a letter of notification of ineligibility, within ten (10) working days after receiving the complete application. This letter should explain why it refused admission. The PRPHA will provide applicants the opportunity of an informal hearing.

Part 4: Informal Hearing

3.4.1 Appeal of the Applicants

If any information is disclosed due to the PRPHA denied admission to the applicant and issue an application cancelation or deny the preference, the PRPHA will send a notification:

- inform the applicant why it is considered ineligible or the application is withdrawn from the waiting list or denied preference;
- notify the applicant of his right to request an informal hearing if the PRPHA receives the request for hearing within ten (10) days from the date of notification. The request must be in writing and must clearly state the

reasons for requesting the informal hearing and should be sent to the address provided in the notice;

- notify the applicant of their rights to dispute credit information reports, information from the Enterprise Income Verification (EIV), information from the Police Agency, and other information requested or determined by the PRPHA according to federal premises or, if this was the basis for the determination of ineligibility, but do not have to accompany it with the notice, but do it available for review;
- notify applicants if they have a disability not previously disclosed, the disclosure of this condition may lead to consideration of mitigating circumstances or if a reasonable accommodation related disability;
- notify applicants if they require reasonable accommodation at or after requesting an informal hearing, the decision on the reasonable accommodation will be made by the officer who presides over the hearing.
- provide a description of the process of the informal hearing and to inform applicants who have the right to be represented by counsel or any other individual during the informal hearing, review the contents of your file before the hearing, the right to submit documents and additional evidence, and testify at the hearing.

3.4.2 Programming the Informal Hearing

After receiving the written request of the applicant, the Officer must be appointed by the PRPHA schedule Informal Hearing. The hearing must be held within a period of fifteen (15) days after receipt of the request by the Informal Hearing from the applicant. The hearing may be postponed if there is a just cause.

A letter notifying the View Informal must be submitted by the Officer appointed by the PRPHA to the address of the applicant to take the records. The letter informed of the date, time and place to be held the informal hearing. The letter further informed of the rights of the applicant to present evidence and testimony, reviewing the record, request a reasonable accommodation or sign language interpreter and to be represented by an attorney or other individual at the hearing. The hearing was conducted at a convenient time and in a place accessible to the applicant and the PRPHA. If an applicant requires a reasonable accommodation is requested at or after the hearing request, the decision regarding the accommodation will be made by the Officer of the hearing and in any case the celebration could postpone providing such arrangement.

3.4.3 Rights of Applicants for the Informal Hearing

During the hearing, the PRPHA will present its evidence supporting the determination of ineligibility, withdrawal, or denial of preference (s). The applicant is given an opportunity to present evidence and testimonies that may refute understand the determination of the PRPHA.

3.4.4 Requirements for Fair Procedures

The Informal Hearing meets the following requirements of fair procedures:

1. If the applicant requires that the employee of the PRPHA that made the decision to be present to provide facts and questioning if it is still an employee of the PRPHA, it must be present.
2. An employee of the PRPHA has not participated in the original decision should underpin the hearing.
3. The decision should be based solely on evidence presented during the hearing and any evidence received in advance by the PRPHA. Any evidence presented during the hearing must be considered again by the officer conducting the hearing.
4. The applicant and / or your representative have the right to inspect the file before the hearing. The PRPHA requires that the applicant sign an Authorization and Confidentiality Certification to its representative may inspect the records.
5. After completion of the hearing, the applicant or the PRPHA may request that the record be kept open for the submission of new evidence. The Officer of the hearing should set a date to close the file and can also postpone this date if there is a just cause. The applicant must receive a letter notifying the termination or extension if any. If the PRPHA does not wish to consider additional evidence presented during the hearing or filed after the hearing must notify the applicant in writing and provide the applicant an opportunity to review the evidence and provide reasonable time for him to respond and review the information.

3.4.5 Decisions of the Informal Hearing

After the informal hearing the Officer appointed by the PRPHA will send the applicant a letter informing the decisions of the Informal Hearing with the following:

- A summary of Hearing;
- The decision of the Officer of Hearing, along with the findings and determinations.
- An explanation of the regulations or other requirements used in the decision and
- An explanation of the applicant's right to request reconsideration by the PRPHA within seven (7) working days from the date of notification of the decision.
- Notification of the decision will make to the postal address known to the applicant as state in the application file, by certified mail or in person upon receipt.

All decisions of the Informal Hearing must occur within a period of fifteen (15) days from the hearing or the closing of the file, whichever comes first. The PRPHA will host the dispositions of the Uniform Administrative Procedure Act (§ LPR 3 sec. 2101 et seq).

3.4.6 Change in Eligibility Determination on Request Withdrawn or Denied Preference (s)

If as a result of information submitted by the applicant during the Informal Hearing, the PRPHA changes its decision, a new application is not required and is returned to the original application for turn on the waiting list using the date and time of the original and application (s) preference (s) applicable (s).

If the decision to deny a (s) preference (s) is changed, the position of the applicant on the waiting list pre-selected will be restored according to the determination.

3.4.7 Confirmation of PRPHA on the Determination of Eligibility, Request Withdrawn or Denied Preference (s)

If the decision of an appeal remains the determination of ineligibility, the applicant may submit a new application for admission Waiting List allows, not before six (6) months after the decision of ineligibility is confirmed. This timeframe would allow the applicant or household member's conduct or to correct the situation that led to his disqualification.

Applicants who are denied preference may re-apply again for the same or different preference at any time, provided that the Waiting List allows.

CHAPTER IV - APPLICATIONS, WAITING LIST AND TENANT SELECTION

Introduction

When a family desires to live in public housing, the family must submit an application that provides the PRPHA with the information needed to determine the family's eligibility. HUD requires that the PRPHA place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the PRPHA must select families from the waiting list in accordance with HUD requirements and PRPHA policies.

The PRPHA has adopted a consistent procedure to accepting applications, placing families on the waiting list, and selecting families from the waiting list. The order in which families are selected from the waiting list can be affected if the family has certain characteristics designated by HUD or the PRPHA to receive preferential treatment.

The PRPHA shall comply with all equal opportunity requirements and it must affirmatively promote fair housing goals in the administration of the Program. Adherence to the selection policies described in this Chapter ensures PRPHA's compliance with all relevant fair housing requirements, as described in Chapter II.

The PRPHA has adopted Site- Waiting Lists for all its public housing and tax credit sites. The implementation of the public housing site-based waiting list is a result of a new and improved PRPHA Admissions and Continued Occupancy Policy (ACOP 2011) which describes the admission, occupancy and transfer policies by which the PRPHA determines eligibility for admission, selects prospective residents, assigns apartments, admits residents and processes transfers in a fair and non-discriminatory manner.

The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site.

Applications for admission will be accepted for all PRPHA developments. Applicants may apply to any site(s) they choose. They must however, select at least one site. If applicant does not express a preference for a particular site or sites, his/her name will be placed on three randomly selected by PRPHA.

There will be no steering, suggestion or pressure to accept a particular site.

All applications shall be assigned and shall be date and time stamped when they are completed and received at the PRPHA Regional site management office. Applicants may apply and be placed on up to three site based waiting lists.

The Chapter IV has three (3) parts:

- Part 1: Applying for Admission
- Part 2: Management of the Waiting List
- Part 3: Tenant Selection

Part 1: Applying for Admission

4.1.1 How to Apply

1. Applicants may apply for up to three developments by submitting a public housing application to any public housing management office. A step-by-step guide is on how to apply is available on our [web page](#) and Regional Offices.
2. The families who wish to apply for the PRPHA public housing program must complete a written application. The applications will be made available in an accessible format from a person with a disability, as per request.
3. The families may obtain application from the PRPHA office during regular business hours. Families may also request, either by telephone or by mail, the documents relates to application, or they may access the PRPHA's website at <http://www.avp.gobierno.pr>.
4. The families with disabilities may contact the PRPHA to coordinate other arrangements in order to complete an application.
5. The application completed during the regular business hours in the PRPHA's Offices designed for this purpose. The applications must be complete in order to be accepted for processing. If an application is incomplete, the PRPHA will notify the family about the additional information required.

Due to local housing demands, the applications on the Waiting List, and the ninety (90) day limit of verified information, the PRPHA has divided the process of receiving applications into a two-step process, as follows:

- a. The first step is the initial application for admission, called Pre-Application, which establishes the family's potential eligibility and placement on the Waiting List. The Pre-Application will be stamped with the hour and date of receipt and processed in order to determine the preferences, bedrooms and mandatory deduction, when apply.

- b. The second step is the final determination of eligibility for admission, called Full Application. The full application takes place when the family reaches one of the top ten (10) positions on the Waiting List. At this time the PRPHA will ensure that verification of all eligibility factors is current and complete in order to determine the family's eligibility for an offer of a suitable housing unit according with the family's needs.

During the Pre-Application process, the family will sign and self-certify that the information they are providing is true and correct. During the final determination of eligibility for admission, the family will be required to appear for a formal interview. This may be on-site at a development or at the Admission and Occupancy Regional Office. The formal verification will take place during the final determination of eligibility for admission.

4.1.2 Initial Application Procedures

1. The PRPHA will utilize a preliminary Pre-Application for the initial application for the Public Housing Program.
2. Once completed, the Pre-Application can be submitted to the PRPHA by mail, by fax, or present personally during regular business hours, the Pre-Application is found also in the internet website <http://www.avp.gobierno.pr> where can be filled and all the data transmitted electronically to our system computerized to be processed. If a request is incomplete the AVP will notify the family so that this provides the additional information.
3. A translation will be provided by the PRPHA staff or an outside source to non-Spanish or non-English speaking applicants.
4. The Pre-Application will contain questions designed to obtain the following information:
 - a. Name and Age of household members;
 - b. Household Composition;
 - c. Social Security Numbers for household members;
 - d. Physical and Mailing Address;
 - e. Phone Numbers;
 - f. Annual Income;
 - g. Source(s) of income received by household members;
 - h. Assets;
 - i. Date and Place of Birth, and Citizenship;
 - j. Information regarding request for reasonable accommodation or for accessible unit;
 - k. Race, Ethnicity; and
 - l. Marital status.

5. The duplicate applications will not be accepted.
6. The Pre-Applications will not require interviews. The information provided in the application will not be verified until the applicant has been selected for final eligibility determination. The final eligibility will be determined when the full application process is completed and all information is verified.
7. The applicants must inform the PRPHA in writing of any change in address, telephone number, family composition, and change in preferences, good cause, income, or other information which may affect the status of the family's application. In the case of an applicant with no fixed address, such as a homeless household, the address of a social service agency (private or public) will be used for PRPHA contact; however, if the applicant finds permanent housing, the address must be reported in writing immediately to the PRPHA. The changes will be accepted over the phone for disabled applicants.
8. The applicants are also required to respond to requests from the PRPHA to update information on their application or to determine their continued interest in assistance. The notice will request for each applicant to return the response if he or she is still interested in public housing, and to indicate on the response any changes in household size, income, postal or physical address and other information as requested. The applicants must respond to the specific requests and/or update their information as requested within ten (10) business days.
9. Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. The applicant is entitled to an informal hearing upon withdrawal from the Waiting List.

4.1.3 Notification of Applicant Status

Written notice will be sent to the families found to be preliminarily eligible after reviewing their Pre-Application. This written notice of preliminary eligibility will be mailed or distributed to the applicant in the manner he or she requested as a reasonable accommodation, if necessary.

4.1.4 Completion of Application Process

1. All preferences claimed on the Pre-Application form, or while the family is on the waiting list, will be verified once the applicant reaches the top ten (10) positions on the waiting list and completes the full application process.
2. The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the Waiting List.

3. A written notice will be sent to applicants on the waiting list who will be selected in the near future. The notice will request the applicant to make an appointment by contacting the PRPHA or it will notify the applicant of an application interview and request the applicant to bring all documents necessary to verify all eligibility criteria. The eligibility criteria to be verified will be listed in the notice.
4. The full application will be completed when the applicant attends the interview. All adult family members must attend the interview and sign the housing application. Exceptions may be made for adult students attending school out of the area or for members for whom attendance would be a hardship; in these circumstances reasonable accommodation may be provided upon request. Both the head of household and their spouse are required to attend the interview.
5. If the head of household cannot attend the interview, the spouse may attend to complete the application and certify on behalf of the family. However, the head of household will be required to attend an interview within seven (7) business days to review the provided information and to certify by signature that the information provided is complete and accurate.
6. If an applicant fails to appear for an appointment the PRPHA will automatically schedule a second appointment. If the applicant misses the second appointment without giving prior notice or rescheduling, the application will be withdrawn from the Waiting List unless he or she can provide acceptable documentation to the PRPHA that justify the absence to the appointment. The applicant shall not be entitled to an Informal Hearing.
7. Reasonable accommodation will be made for applicants with a disability who require an accessible office and/or a counsel or advocate present during the interview. A designee will be allowed to provide information only with written permission from the person with the disability.
8. All adult members, of eighteen (18) and older, must sign Form HUD-9886, "Release of Information and Privacy Notice", the declaration and consent forms related to citizenship/immigration status, and any other documents required by the PRPHA. The applicants will be required to sign specific verification consent forms to allow PRPHA to obtain needed information from sources not covered by the Form HUD-9886. Failure to comply with that requirement will result in denial of application.
9. The information provided by the applicant will be verified, including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full-time student status, and other factors related to preferences, eligibility, and rent calculation.

10. If the PRPHA determines at or after the interview that additional information or documents are needed, the PRPHA will request the documents or information in writing. The family will be given seven (7) business days to submit the information. If the information is not submitted within this period, the PRPHA will provide the family a notification of denial for assistance.

4.1.5 Processing Applications

As families approach the top ten (10) positions on the Waiting List, the following items will be verified to determine eligibility for admission to the PRPHA's Public Housing Program:

- B.** Preferences;
- C.** Family composition and type;
- D.** Annual income;
- E.** Asset and Asset Income;
- F.** Deductions from Annual Income;
- G.** Social Security Numbers of all family members;
- H.** Information used in Applicant Screening;
- I.** Citizenship or eligible immigration status;
- J.** Criminal History Report; and
- K.** Other information as specified in Chapter III and determined by the PRPHA and on a case-by-case basis.

4.1.6 Final Determination and Notification of Eligibility

After the verification process is completed, the PRPHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the PRPHA, and the tenant suitability determination.

The family is not eligible for a unit offer until the final determination of eligibility has been made regardless of prior determinations of preliminary eligibility or whether they were placed on the Waiting List.

4.1.7 Placement on the Waiting List

1. The PRPHA will place on the waiting list families for whom the list is open unless the PRPHA determines the family to be ineligible. When the family is determined to be ineligible, the PRPHA must notify the family in writing. When the family is determined to be eligible, the family will be placed on a waiting list of applicants according to applicable preferences, date and time their complete application was received by the PRPHA, and qualifying unit size.
2. If on a basis of information of the family, the PRPHA determine that the family is ineligible, the family will not place on a Waiting List. When the family is determined to be ineligible, the PRPHA must notify the family in writing within

- ten (10) business days of receiving the family's completed application. The notice will specify the reason(s) for ineligibility, and will inform the family of its right to request an Informal Hearing and explain the process for doing so.
3. The PRPHA will send a written notification of the preliminary decision of eligibility within 10 business days after received the complete application. The notification can indicate also if the family would be able to qualify to be included with preferences or with special accommodation in the Waiting List.
 4. Placement on the Waiting List does not indicate that the family is, in fact, eligible for admission. A final determination of eligibility and qualification for preferences will be made when the family is selected according with the turn on the Waiting List.
 5. The PRPHA will place a family on the waiting list according to the bedroom unit size they qualify for, as established in its occupancy standards (see Chapter V). The families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to PRPHA standards and local codes). However, in these cases, the family must agree not to request a transfer for 2 years after admission, unless they have a change in family size, composition, or request reasonable accommodation.

4.1.8 Waiting List Preferences

A preference does not guarantee admission. Preferences are used to establish the order of placement on the waiting list, as they refer to points given to PRPHA applicants who have suffered involuntary displacement, are employed, are veterans or are families of a veteran, are victims of domestic violence, dating violence or stalking, are homeless, are elderly and/or disabled, and are terminally ill. An applicant may qualify for more than one preference at a time.

The PRPHA has adopted preferences related to the Statement of Housing Needs in the Agency's Annual Plan. Preferences are granted to applicants who are otherwise qualified and who, at the time of the unit offer (prior to lease-up), meet and qualify for the preferences described further below.

The PRPHA will provide each applicant with a description of each preference available. The preferences will be verified the same way as income, assets, and deductions. The preferences will also be verified during the application process as part of both the preliminary and final eligibility processes. Although the PRPHA has established preferences, every applicant must meet PRPHA's selection criteria as defined in this ACOP.

Families who reach the top ten (10) positions on the waiting list will be contacted by the PRPHA Admissions and Occupancy Office to complete a full occupancy application.

Failure to complete the application process will result in the removal from the waiting list.

If an applicant makes a false statement in order to qualify for a local preference, the PRPHA will automatically deny admission to the program for the family.

The preference system described below will work in combination with requirements to match the characteristics of the family to the type of unit available, including units with targeted populations and income targeting requirements. The ability to provide preferences for some family types will depend on unit size availability.

The PRPHA will use the following preferences:

1. **Involuntary Displacement Preference** - The involuntary displacement preference applies to applicants who can document and provide verifiable evidence to the PRPHA that they have been displaced by a natural disaster; declared as such by the President of the United States or the Governor of the Commonwealth of Puerto Rico, or through no fault of their own by governmental and private actions.
2. **Employment Preference** - The employment preference targets families that have at least one adult family member who is employed for a minimum of twenty (20) hours a week and who has been employed for twelve (12) consecutive months.

Employment while the family is on the waiting list – employment by a family member, age eighteen (18) or older, that lasts for a period of at least ninety (90) days or more. The employment must provide a minimum of twenty (20) hours of work per week for the family member claiming the preference.

Employment at the time of offer – to qualify for the preference, the applicant must have at least one (1) family member, age eighteen (18) or older, employed at the time of PRPHA's housing offer. Employment at the time of the offer must be for the ninety (90) day period immediately prior to the housing offer and must provide a minimum of twenty (20) hours per week for the family member claiming the preference.

This preference will also be granted to applicants with adult family members who can provide verifiable documentation to the PRPHA that they are employed or involved in job training, including job training undertaken as a requirement of persons receiving Temporary Assistance to Needy Families (TANF).

3. **Victims of Domestic Violence, Dating Violence, or Stalking Preference** - The domestic violence, dating violence, or stalking preference is available for applicants who can document involuntary displacement due to domestic violence, dating violence, or stalking, and that are victims of serious and repeated abuse by a family member, friend, boyfriend, girlfriend, or other person not related. The

actual or threatened violence must have occurred within the past six (6) months or be of a continuing nature. The violence must be documented through:

1. Federal or local police or court records, and through
2. a statement, on a form prepared by the PRPHA, stating that the incident or incidents in question are bona fide incidents of abuse. The statement must be signed, under the penalty of perjury, by an employee, agent or volunteer of a victim service provider, an attorney or a medical professional from whom the victim has sought assistance in addressing domestic violence or the effects of the abuse. The victim of domestic violence, dating violence, or stalking must also sign the statement and identify the alleged perpetrator.
3. The displacement from the unit must be verified as being involuntary to avoid an attempt to circumvent the waiting list by the alleged victim and abuser. When if necessary, the PRPHA will require evidence of a Protection Order ordered by a Court with jurisdiction.

4. Homeless Preference

The homeless preference is available to applicants who can provide verifiable documentation to the PRPHA that the family members lack a fixed, regular and adequate nighttime habitation or that their nighttime dwelling is one of the following:

- A supervised public or private shelter designed to provide temporary living accommodations (this includes shelters provided by the Department of Family, congregate or community shelters and transitional housing);
- A public or private place not designed for, or ordinarily used as, regular sleeping place.

Persons living with existing PRPHA residents, or living with residents on other federalized housing programs either as authorized or unauthorized members of the household, or living with residents in private housing does not qualify for the homeless preference.

The applicant must submit a fully completed and signed “Certificate of Homelessness”, which will be provided by the PRPHA. This certificate shall be signed by:

- a public or private facility that provides shelter for homeless individuals,
- the local police department,
- a social service agency, certifying the applicant’s homeless status in accordance with the PRPHA’s policies.

5. Veterans and Veterans Family Preference

A veteran preference is applicable to applicants who can provide verifiable documentation to PRPHA that they are a veteran or have a veteran or veteran family status member.

Such status is only obtained by the U.S. Veteran's Administration. The applicant must submit a copy of the Discharge document and shall submit a fully completed certificate or veteranship.

The veteran's preference is only applicable to veterans or immediate families of veterans (spouse and children) only if the veteran were discharged under honorable circumstances.

6. Terminal Disease Family Preference

A Terminal Disease Family Preference is applicable to all Applicants who can provide verifiable documentation to the PRPHA that, while on the waiting list, and at the time of the offer of a unit, a family member has a terminal illness or disease whose condition is expected to end in death in a determined time.

7. Elderly or Disabled Families Preference

Applicants who are elderly or disabled will be given a selection preference over all applicants regardless of application date and time, and preference status. An elderly or disabled preference is applicable to all applicants who can provide verifiable documentation to the PRPHA that they are sixty-two (62) years of age or older, or have a mental or physical disability.

8. Preference for Family Re-unification

Preference given to the parent or person holding legal custody of a minor, who are involuntarily separated from the child or children because they were removed from the home by court order or recommendation of the Department of Family and again is directed by these entities re-unification of the child with the parent or person holding legal custody. The PRPHA will require evidence issued by the court and the Department of Family and preferred to grant housing application process in accordance with the applicable rules.

Part 2: Organization and Supervision of the Waiting List

4.2.1 Organization of the Waiting List

The waiting list will contain the following information for each applicant:

- a. Name and Social Security number of Head of Household
- b. Unit size required for the number of family members
- c. Amount and source of annual income

- d. Accessibility requirement, if any
- e. Date and time of Application
- f. Household type (family, elderly, disabled)
- g. Admission preference
- h. Race and ethnicity of the Head of Household

4.2.2 Opening and Closing of the Waiting List

1. Closing the Waiting List

The PRPHA will close the waiting list when the estimated waiting period for housing applicants on the list reaches twenty four (24) months for the most current applicants. If the PRPHA has particular preferences or other criteria that require a specific category of family, the PRPHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

2. Reopening the Waiting List

The PRPHA will announce the reopening of the waiting list at least ten (10) business days prior to the date when applications will first be accepted. Such notice will state if the list is only being reopened for certain categories of families, as well as where, when, and how applications are to be received.

The PRPHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to local and regional newspapers and the PRPHA website <http://www.avp.gobierno.pr>.

4.2.3 Family Localization

The PRPHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PRPHA jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain segments of the population are being underserved.

4.2.4 Reporting Changes in Family Circumstances

While the family is on the Waiting List, the family must inform the PRPHA within ten (10) business days of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

The changes in an applicant's circumstances while on the Waiting List may affect the family's qualification for a particular bedroom unit size or entitlement to a preference. When an applicant reports a change that affects their placement on the Waiting List, the Waiting List will be updated accordingly.

4.2.5 Updating the Waiting List

1. Purging the Waiting List

- a. The Waiting List will be updated as needed to ensure that all applicants and applicant information is current and timely.
- b. To update the waiting list, the PRPHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in the Program. This update request will be sent to the last address that the PRPHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.
- c. The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PRPHA not later than ten (10) business days from the date of the PRPHA notice.
- d. If the family fails to respond within ten (10) business days, the family will be removed from the Waiting List without further notice.
- e. If the letter or notice is returned by the postal office with no forwarding address, the applicant will be removed from the waiting list without further notice.
- f. If the notice is returned by the postal office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 10 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.
- g. When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant will prevent the PRPHA from making an eligibility determination. Therefore, no informal hearing is required.
- h. If a family is removed from the waiting list for failure to respond, the PRPHA may reinstate the family if PRPHA determines that the lack of response was due to PRPHA error, or to verifiable circumstances beyond the family's control.

2. Removal from the Waiting List

- a. The PRPHA will remove applicants from the waiting list if they have requested that their name be removed. In such cases no informal hearing is required.
- b. If the PRPHA determines that the family is not eligible for admission at any time while the family is on the waiting list, the family will be removed from the waiting list, as states in procedures on Chapter III.

- c. If a family is removed from the waiting list because the PRPHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate addresses provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the PRPHA decision.

Part 3: Tenant Selection

4.3.1 SELECTION Method

1. Income Targeting Requirement

The PRPHA will monitor progress in meeting the Extremely Low Income (ELI) requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income-targeting requirement is met.

2. Deconcentration and Income Targeting – Identification Procedures

Annually, the PRPHA will calculate the average income at all PRPHA developments and of the Applicants on the waiting list. The Agency will also calculate the average income of all Households at each Development separately. The developments in which the development average income is above one hundred fifteen percent (115%) of the Agency-wide average income will be considered "higher-income" developments. Likewise, developments in which the Development average income is below eighty five percent (85%) of the Authority-wide average income will be considered "lower-income" developments, as defined below:

- a. **Agency-Wide Average Income:** The average income of all Households residing in PRPHA Developments. Such an average is used as a base measure from which developments are either determined to be "higher-income" or "lower-income" for purposes of this policy and procedures.
- b. **Development Average Income:** The average income of all Households residing in a PRPHA Family Housing development.
- c. **Higher-Income Development:** A development in which the Development average income is above one hundred fifteen percent (115%) of the Agency-wide average income.
- d. **Lower-Income Development:** A development in which the Development average income is below eighty five percent (85%) of the Agency-wide average income.

3. Remedial Action

Based upon the above-mentioned procedure, the PRPHA will conduct its annual analysis as required, to determine the average household income of families residing in each public housing development. Upon completion of such analysis, the PRPHA will review the need to offer incentives to eligible families that would help accomplish the deconcentration objectives at the developments.

Should the average income at a development(s) vary more than fifteen percent (15%) from the Agency-Wide Average, the PRPHA may use some or all of the incentives listed below:

- a. Establish an Income Preference to reach Applicants with lower or higher incomes as appropriate;
- b. Employ Waiting List and Waiting List transfer “skipping”;
- c. Employ resident transfer “skipping”; and
- d. Homeownership Alternatives.

4. Monitoring

As part of the PRPHA’s Annual Plan, the PRPHA will annually monitor the income levels of Households residing in the PRPHA’s public housing developments and of those Applicants on the waiting list, to assess its progress in attaining the deconcentration and income mixing goals.

The PRPHA will calculate and compare the average Household incomes at each development with the Agency-Wide Average, as described above. In addition, the income status of Applicants on the PRPHA’s waiting list will be analyzed to determine the percentage of Applicants with “Low,” “Very Low” and “Extremely Low” incomes.

The PRPHA will also ascertain its progress in meeting the income-targeting goal that requires that forty percent (40%) of new admissions in Federal developments must be Extremely-Low Income Households. If the monitored data indicates any problems, the PRPHA will alter its deconcentration strategies in accordance with this policy, as well as with Federal and Local requirements.

5. Civil Rights Protection Plan

It is the policy and obligation of the PRPHA to administer all aspects of its public housing program without regard to race, color, sex, sexual orientation, religion, age, handicap, disability, national origin, ethnicity, familial status or marital status.

The PRPHA will accomplish the deconcentration goal in a uniform and nondiscriminatory manner. The PRPHA will affirmatively gear public housing programs to all eligible income groups. Lower income households will not be steered toward lower

income developments and higher income households will not be steered toward higher income developments.

4.3.2 Order of Selection

Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application was received by the PRPHA.

When selecting applicants from the waiting list the PRPHA will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The PRPHA will offer the unit to the highest-ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible for families who are ranked lower on the waiting list to receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as de-concentration or income mixing and income targeting will also be considered in accordance with HUD requirements and PRPHA policy.

4.3.3 NOTIFICATION OF SELECTION

The PRPHA will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview.
- Who is required to attend the interview.
- Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation.
- Documents that must be provided at the interview to document eligibility for a preference, if applicable.
- Other documents and information that should be brought to the interview.

If a notification letter is returned to the PRPHA with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the PRPHA from making an eligibility determination; therefore no informal hearing will be offered.

4.3.4 THE INTERVIEW

1. Families selected from the waiting list are required to participate in an eligibility interview. The head of household and the spouse will be strongly encouraged to attend the interview together. The verification of information pertaining to adult members of the household not present at the interview will not begin until these adults come to PRPHA's offices.

2. The interview will be conducted only if the head of household or spouse provides appropriate documentation of legal identity. If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.
3. If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference. If the family is verified as eligible for the preference, the PRPHA will proceed with the interview. If the PRPHA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.
4. The family must provide the information necessary to establish the family's eligibility and information to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PRPHA will provide the family with a written list of items that must be submitted.
5. Any required documents or information that the family is unable to provide at the interview must be provided within ten (10) business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame, the PRPHA will be sent a notice of denial for the family.
6. An advocate, interpreter, or other assistant may assist the family with the application and the interview process.
7. Interviews will be conducted in Spanish. For limited English proficient (LEP) applicants, the PRPHA will provide translation services in accordance with the PRPHA policies.
8. If the family is unable to attend a scheduled interview, the family should contact the PRPHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PRPHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PRPHA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the PRPHA from making an eligibility determination; therefore the PRPHA will not offer an informal hearing.

4.3.5 FINAL ELIGIBILITY DETERMINATION

The PRPHA will notify the family in writing of their eligibility within ten (10) business days of eligibility determination and will provide the approximate date of occupancy, if such date can be reasonably determined.

If the PRPHA determines that the family is ineligible, the PRPHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing.

CHAPTER V - OCCUPANCY STANDARDS AND UNIT OFFERS

Introduction

This Chapter contains the PRPHA's policies for determining the appropriate unit size for families of different sizes and types. Also describes the actions to be taken when unit offers are refused for the family.

The Chapter V has two (2) parts:

- Part 1: Occupancy Standards
- Part 2: Unit Offers

Part 1: Occupancy Standards

5.1.1 Determining Unit Size

Occupancy standards are established by the PRPHA to ensure that units are occupied by appropriate size families. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. The PRPHA will use the same occupancy standards for each of its developments.

1. The PRPHA's occupancy standards are as follows:

The PRPHA will assign one bedroom for each two (2) persons within the household, except in the following circumstances:

- a. Persons of the opposite sex (other than spouses, and children under age 2 will not be required to share a bedroom.
 - b. Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.
 - c. Single person families will be allocated at one bedroom.
 - d. Foster children will be included in determining unit size.
2. The PRPHA will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	6	10

5.1.2 Exceptions to Occupancy Standards

1. The PRPHA will consider granting exceptions to the occupancy standards at the family’s request if the PRPHA determines the exception is justified by the relationship, age, sex, health or disability of family members, or other verifiable personal circumstances.
2. When evaluating exception requests the PRPHA will consider the size of the rooms and configuration of the unit. In no case will the PRPHA grant an exception that is in violation of local housing or occupancy codes, regulations or laws.
3. Families can request in writing that PRPHA assigned to them a smaller housing, if and when the assignment of unit does not result in overcrowding for the family. If PRPHA assigned housing, the family shall be registered in the list of mandatory changes in the project and the family agreed to not request a transfer for a period of two (2) years from the date of admission, unless there is a change in the size of the family or its composition.
4. Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded as provided by the local code, and the family agrees not to request a transfer for a period of two (2) years from the date of admission, unless they have a subsequent change in family size or composition.
5. To prevent vacancies, the PRPHA may provide an applicant family with a larger unit than the occupancy standards permitted. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for transfer.
6. Processing of Exceptions
 - a. Applicants and tenants should request in writing an exception to the occupancy standards.

- b. In the case of a request for exception as a reasonable accommodation, the PRPHA will encourage the tenant to make the request in writing using a reasonable accommodation request form. However, the PRPHA will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.
- c. Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.
- d. The PRPHA will provide written notification to the family of its decision within ten (10) business days of receiving the family's request.

Part 2: Unit Offers

5.2.1 Number of Offers

1. The PRPHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.
2. The PRPHA has adopted a Plan A. Under this plan, the PRPHA will determine how many locations within its municipality have available units of suitable size and type in an appropriate type of project. The number of unit offers will be based on the distribution of vacancies. If a suitable unit is available in:
 - a. Three (3) or more locations: The applicant will be offered a unit in the location with the highest number of vacancies. If the offer is rejected, the applicant will be offered a suitable unit in the location with the second highest number of vacancies. If that unit is rejected, a final offer will be made in the location with the third highest number of vacancies. The offers will be made in sequence and the applicant must refuse an offer before another is made.
 - b. Two (2) locations: The applicant will be offered a suitable unit in the location with the higher number of vacancies. If the offer is rejected, a final offer will be made at the other location. The offers will be made in sequence and the applicant must refuse the first offer before a second offer is made.
 - c. One (1) location: The applicant will be offered a suitable unit in that location. If the offer is rejected, the applicant will be offered the next suitable unit that becomes available, whether it is at the same location as the first offer or at another location. The second unit offer will be the final offer, unless there is good cause for refusing the offer.

- d. If more than one unit of the appropriate type and size is available, the first unit to be offered will be the first unit that is ready for occupancy.

5.2.2 Refusals of Unit Offer

1. Good Cause for Unit Refusal

- a. Applicants may refuse to accept a unit offer for "*good cause.*" Good cause includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or that the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc.
- b. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:
 - i. 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.
 - ii. The family demonstrates to the PRPHA'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 based solely on location do not qualify for this good cause exemption.
 - iii. A health professional verifies temporary hospitalization or recovery from illness of the principal household member, and/or other household members (as listed on the final application) or live-in aide necessary to the care of the principal household member.
 - iv. 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 thirty (30) day notice to move.
 - v. The unit has lead-based paint and the family includes children under the age of six (6).

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have

good cause to refuse. The PRPHA will require documentation of good cause for unit refusals.

2. Unit Refusal Without Good Cause

When an applicant rejects the final unit offer without good cause, the PRPHA will put the application at the end of the waiting list.

5.2.3 Accessible Units (24 CFR 8.27)

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the PRPHA will offer the unit to a non-disabled applicant. When offering an accessible unit to a non-disabled applicant, the PRPHA will require the applicant to agree to move to an available non-accessible unit within thirty (30) days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

5.2.4 Designated Housing

When applicable, the PRPHA's policies for offering units designated for elderly families only or for disabled families only can be found in the PRPHA's Designated Housing Plan.

CHAPTER VI - INCOME AND RENT DETERMINATIONS

Introduction

This Chapter describes the rules for the annual income determination and the rent calculation, as defined by HUD.

The Chapter VI has three (3) parts:

- Part 1: Annual Income
- Part 2: Adjusted Income
- Part 3: Calculating Rent

Part 1: Annual Income

6.1.1 Definition of Annual Income

Annual income (24 CFR 5.609)

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the twelve (12) month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph 24 CFR 5.609(c).
- (4) Annual income also means amounts derived (during the twelve (12) month period) from assets to which any member of the family has access.

6.1.2 Household Composition and Income

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded
Foster child or foster adult	Income from all sources is excluded
Head, spouse, or co head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head or spouse)	Employment income above \$480 during a year is excluded. All other sources of income, except those specifically excluded by the regulations, are included.

6.1.3 Anticipating Annual Income

The PRPHA is required to count all income “anticipated to be received from a source outside the family during the 12 month period following admission or annual reexamination effective date. Policies related to anticipating annual income are provided below.

1. Basis of Annual Income Projection

When the PRPHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PRPHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PRPHA to show why the historic pattern does not represent the family’s anticipated income.

2. Known Changes in Income

If the PRPHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

Example: An employer reports that a full-time employee who has been receiving \$6/hour will begin to receive \$6.25/hour in the eighth week after the effective date of the reexamination. In such a case the PRPHA would calculate annual income as follows: $(\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PRPHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs.

3. Using Up-Front Income Verification (UIV) to Project Income

PRPHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of the PRPHA interview date.

The PRPHA will follow the HUD guidelines in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines substantial difference as a difference of \$200 or more per month.

- a. No Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by less than \$200 per month, the PRPHA will follow these guidelines:
 - If the UIV figure is less than the family's figure, the PRPHA will use the family's information.
 - If the UIV figure is more than the family's figure, the PRPHA will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the PRPHA will use the family-provided information.
- b. Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by \$200 or more per month, the PRPHA will follow these guidelines:
 - The PRPHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b) (3) (i).
 - When the PRPHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the PRPHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.
 - The PRPHA will analyze all UIV, third party, and family-provided data and attempt to resolve the income discrepancy.
 - The PRPHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

6.1.4 Earned Income

1. Types of Earned Income Included in Annual Income

a. Wages and Related Compensation

The complete quantity, before any reduction of salaries, payment for overtime, commissions, honorary, tips and bonds, and any another clearing by concept of personal services is included in the calculation of the annual income.

For persons who regularly receive bonuses or commissions, the PRPHA will verify and then average amounts received for the two years preceding admission

or reexamination. If only a one-year history is available, the PRPHA will use the prior year amounts. In either case the family may provide, and the PRPHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PRPHA will count only the amount estimated by the employer. The file will be documented appropriately.

b. Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

2. Types of Earned Income Not Counted in Annual Income

a. Temporary, Nonrecurring, or Sporadic Income

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally, as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

b. Children's Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of foster children.)

c. Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co head) are not counted. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program.

d. Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income. (See Eligibility chapter for a full discussion of live-in aides.)

e. Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income, including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

f. Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PRPHA, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PRPHA governing board. No resident may receive more than one such stipend during the same period of time.

g. State and Local Employment Training Program

The PRPHA defines **training program** as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education.

The PRPHA defines incremental earnings and benefits as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program.

In calculating the incremental difference, the PRPHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PRPHA interim reporting requirements.

h. HUD-Funded Training Programs

To qualify as a training program, the program must meet the definition of **training program** provided above for state and local employment training programs.

Earned Income Tax Credit

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c) (17)]. Although many families receive the EITC annually when they file taxes, an EITC

can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

6.1.5 Earned Income Disallowance

1. Eligibility

The earned income disallowance (EID) applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is experienced as a result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. **Previously unemployed** includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families.
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

2. Calculation of the Disallowance

The PRPHA defines **prior income**, or **prequalifying income**, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

3. Initial 12-Month Exclusion

During the period of initial exclusion of twelve (12) months, the complete quantity (100%) of any increase in the attributable incomes to the new employment or to increase in the attributable incomes to the new employment or to increased earnings will be excluded. The twelve months are cumulative and they do not need to be consecutive.

4. Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

5. Lifetime Limitation

During the 48-month eligibility period, the PRPHA will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

6. Individual Savings Accounts

The PRPHA chooses not to establish a system of individual savings accounts (ISA) for families who qualify for the EID.

6.1.6 Business Income

1. Business Expenses

To determine business expenses that may be deducted from gross income, the PRPHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

2. Business Expansion

Is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

3. Capital Indebtedness

Is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PRPHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

4. Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

5. Withdrawal of Cash or Assets from a Business

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the PRPHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been

repaid. Investments do not include the value of labor contributed to the business without compensation.

6. Co-owned Businesses

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6.1.7 Assets

1. Income from Assets

Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PRPHA to show why the asset income determination does not represent the family's anticipated asset income.

2. Valuing Assets

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions

3. Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account).

4. Imputing Income from Assets

When net family assets are \$5,000 or less, the PRPHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PRPHA will include in annual income the greater of:

- a. the actual income derived from the assets or;
- b. the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

5. Determining Actual Anticipated Income from Assets

It may or may not be necessary for the PRPHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

6. Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

7. Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PRPHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PRPHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PRPHA will prorate the asset evenly among all owners.

8. Assets Disposed Of for Less than Fair Market Value

The PRPHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertification, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

9. Separation or Divorce

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

10. Foreclosure or Bankruptcy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PRPHA may verify the value of the assets disposed of if other information available to the PRPHA does not appear to agree with the information reported by the family.

11. Types of Assets

a. Checking and Savings Accounts

In determining the value of a checking account, the PRPHA will use the last six months average monthly balance.

In determining the value of a savings account, the PRPHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the PRPHA will multiply the value of the account by the current rate of interest paid on the account.

b. Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

In determining the market value of an investment account, the PRPHA will use the value of the account of the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PRPHA will calculate asset income based on the earnings for the most recent reporting period.

c. Equity in Real Property or Other Capital Investments

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the PRPHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

d. Trusts

A **trust** is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

e. Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

f. Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate. (Periodic payments are covered in section 6.1.8. Lump-sum receipts are discussed earlier in this section.)

g. Retirement Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PRPHA must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment will be counted as an asset.

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate, except to the extent that it represents funds invested in the account by the family member. The balance in the account is counted as an asset only if it remains accessible to the family member.

h. IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

i. Personal Property

In determining the value of personal property held as an investment, the PRPHA will use the family's estimate of the value. The PRPHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets

Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

j. Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family's asset. The cash value is the surrender value. If such a policy earns dividends or interest which the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6.1.8 Periodic Payments

1. Periodic Payments Included in Annual Income

Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b) (4) and (b) (3)].

Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum 24 CFR 5.609(b) (4) and HCV, p.5-14].

2. Lump-Sum Payments for the Delayed Start of a Periodic Payment

When a delayed-start payment is received and reported during the period in which the PRPHA is processing an annual reexamination, the PRPHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PRPHA.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

4. Periodic Payments Excluded from Annual Income

The PRPHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c))

Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.)

6.1.9 Payment in Lieu of Earnings

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts. (See also the discussion of periodic payments in section 6.1.8 and the discussion of lump-sum receipts in section 6.1.8.)

6.1.10 Welfare Assistance

1. Sanctions Resulting in the Reduction of Welfare Benefits

The PRPHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

2. Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance”

3. Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PRPHA must include in annual income “imputed” welfare income. The PRPHA must request that the welfare agency inform the PRPHA when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b) (2)].

For special procedures related to grievance hearings based upon the PRPHA denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

4. Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

6.1.11 Periodic and Determinable Allowances

The PRPHA will count court-awarded amounts for alimony and child support unless the PRPHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

1. Regular Contributions or Gifts

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PRPHA. For contributions that may vary from month to month (e.g., utility payments), the PRPHA will include an average amount based upon past history.

6.1.12 Additional Exclusions from Annual Income

1. Other exclusions include the following:

- a. Reimbursement of medical expenses
- b. The full amount of student financial assistance paid directly to the student or to the educational institution, except that in accordance with Section 224 of the FY 2005 Appropriations Act, the portion of any athletic scholarship assistance available for housing costs must be included in annual income
- c. Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.
- d. Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program
- e. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
- f. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era
- g. Adoption assistance payments in excess of \$480 per adopted child
- h. Refunds or rebates on property taxes paid on the dwelling unit
- i. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
- j. Amounts specifically excluded by any other federal statute. HUD publishes an updated list of these exclusions periodically. It includes:
 1. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977
 2. Payments to Volunteers under the Domestic Volunteer Services Act of 1973

3. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
4. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes
5. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program
6. Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
7. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
8. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands
9. 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
10. Payments received from programs funded under Title V of the Older Americans Act of 1985
11. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re- Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
12. Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
13. 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
14. Earned income tax credit (EITC) refund payments received on or after January 1, 1991

15. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
16. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
17. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran
18. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act
19. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998

Part 2: Adjusted Income

6.2.1 Mandatory Deductions

HUD regulations require PRPHA to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family’s adjusted income.

Deduction	Definitions
\$480 for each dependent	This deduction applies to members of the family who have not reached their 18 th birthday or who are disabled. It does not apply to the family head or spouse or to foster children. It applies to family members 18 years of age or older who are full-time students in a college or vocational program, but no the family head or a spouse. The status of the student must be verified by the institution. Vocational schools offering programs with diplomas and certificates are included.
\$400 per family (elderly/disabled)	Elderly and Disabled Families are defined by HUD

Medical expenses in excess of 3% of annual income	These are anticipated expenses based on the 12-month period before certification.
Child Care Expenses	The amounts anticipated to be paid by the family for the care of children under the age of 13 for a 12-month certification period. The deduction is available only to enable a family member to be gainfully employed or to further his or her education.
Disability Assistance Expenses	Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. This allowance may not exceed the earned income received by family members who are 18 years of age or older who are able to work because of such attendant care or auxiliary apparatus.

6.2.2 Dependent Deduction

A deduction of \$480 is taken for each dependent. Dependent is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents

6.2.3 Elderly or Disables Family Deduction

A single deduction of \$400 is taken for any elderly or disabled family. An elderly family is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities.

6.2.4 Medical Expenses Deduction

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

1. Definition of Medical Expenses

HUD regulations define medical expenses to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

The most current IRS Publication 502, Medical and Dental Expenses, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
<p>Services of medical professionals</p> <p>Surgery and medical procedures that are necessary, legal, noncosmetic</p> <p>Services of medical facilities</p> <p>Hospitalization, long-term care, and in-home nursing services</p> <p>Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)</p>	<p>Substance abuse treatment programs</p> <p>Psychiatric treatment</p> <p>Ambulance services and some costs of transportation related to medical expenses</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>Cost and continuing care of necessary service animals</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p>
<p>Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.</p>	

2. Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PRPHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.2.5 Disability Assistance Expenses Deduction

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income,

and (4) do not exceed the earned income received by the family member who is enabled to work.

1. Earned Income Limit on the Disability Assistance Expense Deduction

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, the PRPHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the PRPHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members' incomes.

2. Eligible Disability Expenses

a. Eligible Auxiliary Apparatus

Expenses incurred for maintaining or repairing an auxiliary apparatus is eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

b. Eligible Attendant Care

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, the personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the PRPHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise

specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

c. Payments to Family Members

The PRPHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PRPHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PRPHA will consider, the family's justification for costs that exceed typical costs in the area.

3. Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PRPHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.2.6 Child Expense Deduction

HUD defines child care expenses as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses.

1. Qualifying for the Deduction

a. Determining Who Is Enabled to Pursue an Eligible Activity

The family must identify the family member(s) enabled to pursue an eligible activity. The term eligible activity in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the PRPHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child,

and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

b. Seeking Work

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the PRPHA.

c. Furthering Education

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

d. Being Gainfully Employed

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

2. Earned Income Limit on Child Care Expense Deduction

When the child care expense being claimed is to enable a family member to work, then only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the PRPHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

3. Eligible Child Care Expenses

a. Allowable Child Care Activities

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for

consideration, the PRPHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

b. Necessary and Reasonable Costs

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the PRPHA will use the schedule of child care costs from the local welfare agency. Families may present, and the PRPHA will consider, justification for costs that exceed typical costs in the area

6.2.7 Permissive Deductions

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If in the future the PRPHA decides to offer permissive deductions, they will be granted to all families that qualify for them and should complement existing income exclusions and deductions. The PRPHA has opted not to use permissive deductions at this time.

Part 3: Calculating Rent

6.3.1 TTP Formula

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family’s monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family’s monthly gross income (annual income, as defined in Part I, divided by 12)
- A minimum rent for PRPHA is \$50.00

The PRPHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined below.

1. Maximum Rents

Maximum rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the maximum rent for the unit, the maximum rent is used to calculate tenant rent (maximum rent/TTP minus utility

allowance). Increases in income do not affect the family since the rent is capped. The use of maximum rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of maximum rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Maximum rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities).

2. Utility Reimbursement

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PRPHA to pay the reimbursement to the family or directly to the utility provider.

6.3.2 Financial Hardships Affecting Minimum Rent

1. Financial hardship includes the following situations:
 - a. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
 - b. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
 - c. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
 - d. The family would be evicted because it is unable to pay the minimum rent.
 - e. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.
 - f. Family income has decreased because of changed family circumstances, including the loss of employment.
 - g. A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- h. The family has experienced other circumstances determined by the PHA.

2. Implementation of Hardship Exemption

a. Determination of Hardship

When a family requests a financial hardship exemption, the PRPHA must suspend the minimum rent requirement beginning the first of the month following the family’s request.

The PRPHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The PRPHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family’s request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption			
Assume the PRPHA has established a minimum rent of \$50.00			
TTP - No Hardship		TTP - With Hardship	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
\$50	Minimum rent	\$50	Minimum rent
Minimum rent applies.		Hardship exemption granted.	
TTP = \$50		TTP = \$15	

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.

The PRPHA will make the determination of hardship within 30 calendar days.

b. No Financial Hardship

If the PRPHA determines there is no financial hardship, the PRPHA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the PRPHA denial of a hardship exemption, see Chapter XIV, Grievances and Appeals.

The PRPHA will require the family to repay the suspended amount within 30 calendar days of the PRPHA notice that a hardship exemption has not been granted.

c. Temporary Hardship

If the PRPHA determines that a qualifying financial hardship is temporary, the PRPHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the PRPHA the amounts suspended. HUD requires the PRPHA to offer a reasonable repayment agreement, on terms and conditions established by the PRPHA. The PRPHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the PRPHA denial of a hardship exemption, see Chapter XIV, Grievances and Appeals.

The PRPHA will enter into a repayment agreement in accordance with the PRPHA repayment agreement policy.

d. Long-Term Hardship

The hardship period ends when any of the following circumstances apply:

- i. At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- ii. For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.

- iii. For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6.3.3 Utility Allowances

1. Reasonable Accommodation

- a. On request from a family, PRPHA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability.
- b. Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment due to the disability
- c. **Utility Allowance Revisions** - Revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted unless the PRPHA is required to revise utility allowances retroactively.

6.3.4 Prorated rent for Mixed Families

HUD regulations prohibit assistance to ineligible family members. A **mixed family** is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PRPHA must prorate the assistance provided to a mixed family. The PRPHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PRPHA will:

1. Subtract the TTP from a maximum rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.
2. Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).
3. Multiply the member maximum subsidy by the number of eligible family members.
4. Subtract the subsidy calculated in the last step from the maximum rent. This is the prorated TTP.
5. Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

Revised public housing maximum rents will be applied to a family's rent calculation at the first annual reexamination after the revision is adopted.

6.3.4 Flat Rents and family Choice Rents

1. Flat Rents

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

There is no utility allowance or reimbursement with flat rents. When the family elects to pay the flat rent, the flat rent amount quoted to the family by the PRPHA is the amount the family pays. Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

2. Family Choice in Rents

The PRPHA will offer a family the choice between flat and income-based rent will upon admission and upon each subsequent annual reexamination.

The PRPHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

3. Switching from Flat Rent to Income-Based Rent Due to Hardship

Upon determination by the PRPHA that a financial hardship exists, the PRPHA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- i. The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- j. The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- k. Such other situations determined by the PRPHA to be appropriate

The PRPHA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent.

4. Change in Flat Rents

Changes to flat rents, up or down, will not affect families paying flat rent until their next annual flat rent offer, at which time the family will be given the choice of switching back to income-based rent or of remaining on flat rent at the current (most recently adjusted) flat rent for their unit

6.3.6 Flat Rents and Earned Income Disallowance

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurs.

A family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their 48 month period would have the 12 cumulative months of full (100 percent) exclusion and phase-in (50 percent) exclusion continue while paying flat rent as long as the employment that is the subject of the exclusion continues, and the 48-month lifetime limit will continue uninterrupted. A family paying flat rent could therefore see a family member's 48-month lifetime limit expire while the family is paying flat rent.

1. Flat Rents and Mixed Families

Mixed families electing to pay flat rent must first have a flat rent worksheet completed to see if the flat rent must be prorated. The worksheet is located in Appendix III of the Form HUD-50058 Instruction Booklet.

If the flat rent is greater than or equal to the public housing maximum rent, there is no proration of flat rent and the family pays the flat rent for the unit.

If the flat rent is less than the maximum rent, the worksheet will calculate a prorated flat rent. The mixed family will pay the prorated flat rent.

CHAPTER VII - VERIFICATION

Introduction

The PRPHA must verify all information being used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect such information. Applicants and tenants must cooperate with the verification process as a condition of receiving assistance. The PRPHA must not pass on the cost of verification on to the family.

The Chapter VII has four (4) parts:

- Part 1: General Verification Requirements
- Part 2: Verifying Family Information
- Part 3: Verifying Income and Assets
- Part 4: Verifying Mandatory Deductions

Part 1: General Verification Requirements

7.1.1 FAMILY Consent to Provide Information

The family must supply any information that the PRPHA or HUD determines is necessary for the administration of the program and must consent to PRPHA's verification of that information, through the approved forms.

1. Consent Forms

It is required that all adult applicants and tenants sign the Authorization for Release of Information form (form HUD-9886). The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PRPHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Information may also be obtained directly from financial institutions concerning unearned income. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

Adult family members must sign other consent forms needed to collect information relevant to the family's eligibility and level of assistance.

2. Penalties for Failing to Consent

If any family member who is required to sign a consent form fails to do so, the PRPHA will deny admission to applicants and/or terminate the tenant's lease. The family may request a informal hearing in accordance with the PRPHA's grievance procedures.

7.1.2 Overview of Verification Requirements

1. Verification Forms

In order of priority, the forms of verification that the PRPHA will use are:

1. Up-front Income Verification through Enterprise Income Verification (EIV) System (UIV) whenever available
2. Up-front Income Verification through an automated system whenever available, while not of HUD.
3. Third-party Written Verification
4. PRPHA's forms to third party written verification
5. Third-party Oral Verification
6. Self-Certification

1. Requirements for Acceptable Documents

The presentation and the exercise of required documents will be as follows:

- a. Any documents used for verification must be the original (not photocopies) and generally must be dated within sixty (60) calendar days of the date they are provided to the PRPHA. The documents must not be damaged, altered or in any way illegible.
- b. The PRPHA will accept documents dated up to six (6) months before the effective date of the family's re-examination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PRPHA will accept the most recent report.
- c. The PRPHA staff member who views the original document must make a photocopy, sign the copy and annotate the copy with the name of the person who provided the document and the date the original document was viewed.
- d. Any family self-certifications must be made in a format acceptable to the PRPHA and must be signed in the presence of a PRPHA representative or PRPHA notary public.

2. File Documentation

The PRPHA will document, in the family file, the following:

- a. Reported family annual income
- b. Value of assets
- c. Expenses related to deductions from annual income
- d. Other factors influencing the adjusted income or income-based rent determination

When the PRPHA is unable to obtain 3rd party verification, the PRPHA will document in the family file the reason that third-party verification was not available and will place a photocopy of the original document(s) in the family file.

7.1.3 Up-Front Income Verification (UIV)

The PRPHA will inform all applicants and residents of its use of the following UIV resources during the admission and re-examination process:

- HUD's EIV system

The PRPHA must restrict access to and safeguard UIV data in accordance with HUD's guidelines on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PRPHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the PRPHA's informal hearing processes.

1. Enterprise Income Verification (EIV) System

Effective January 31, 2010, all PHAs are required to use the EIV system in its entirety. This means that PHAs must use all features of the EIV system to:

- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income.
- b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

The EIV System is a web-based application, which provides PRPHA with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN) reported on the form HUD-50058.

PRPHA is required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an up-front income verification technique, which helps to identify income sources and/or amounts that the tenant may not have disclosed. This verification technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist PRPHA with the following:

- a. Identifying tenants whose reported personal identifiers do not match the SSA database;
- b. Identifying tenants who need to disclose a SSN;
- c. Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
- d. Identifying tenants who may not have reported complete and accurate income information;
- e. Identifying tenants who have started a new job;
- f. Identifying tenants who may be receiving duplicate rental assistance;
- g. Identifying tenants who are deceased and possibly continuing to receive rental assistance;
- h. Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.

2. Access to the EIV System

PRPHA's staff that have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV User Administrator. The User Administrator certify and send the forms to Coordinator in the local HUD office. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file in the place when access the report, but do not submit the form to the Coordinator in the local HUD office.

3. File documentation required to demonstrate compliance with mandated use of EIV

- a. For each new admission (form HUD-50058 action type 1), the PRPHA is required to review the EIV Income Report to confirm or validate family reported income within 120 days of the PIC submission date. PRPHA will print and maintain a copy of the EIV Income Report in the tenant file. PRPHA will resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- b. For each historical adjustment (form HUD-50058 action type 14), the PRPHA is required to review the EIV Income Report to confirm or validate family-reported income within 120 days of the PIC submission date; and print and maintain a copy of the EIV Income

Report in the tenant file; and resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

- c. For each interim reexamination (form HUD-50058 action type 3) the PRPHA is required to have in the tenant file, **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- d. For each annual reexamination, the PRPHA is required to have the following documentation in the tenant file:
 - i. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and if necessary, traditional third party verification form(s).
 - ii. **Disputed EIV Information:** EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.
 - iii. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and if necessary traditional third party verification form(s).

4. Tenant Repayment Agreement

If the tenant refuses to pay retroactive income resulting from the concealment of income to the PRPHA, the PRPHA notify the tenant intended cancellation of contract.

The Payment plans:

- 1) Shall be in writing, with date and signature of the lessee and the representative of the PRPHA.
- 2) Will include the total owed retroactive income, the payment made at the beginning of the plan and the amount to pay monthly.
- 3) Detailed contractual clauses or regulations on the failure of the tenant and the warning about the termination of the contract; that the payment of retroactive income is in addition to the monthly income; that the terms of the payment plan can be renegotiated in the event of increase or decrease in the income of the family; that late payments or that they are not undertaken constitute a

failure to comply with the payment plan and result in the cancellation of the lease.

The PRPHA will determine the retroactive income as much as possible to have documents on not reported revenue to sustain the same. Back pay monthly rent plus the amount of monthly rent paid by the tenant should not exceed forty percent (40%) of the monthly adjusted income of the family. The period in which the retroactive income balance must be paid is based on the monthly payments and the original back stock. For the payment of retroactive income the tenant may choose to make a global payment or divide the total in monthly installments.

5. Custody of EIV reports and divulgence of EIV' report data

The PRPHA will maintain EIV reports in the tenant file, up to three (3) years after the date of termination of the participation of the lessee in the program. The Federal Privacy Act, 5 USC sec. 552a, prohibits the disclosure of information of an individual to another person without the consent in writing of the individual. By which, EIV report of an adult member of the family information must not be shared (or provide a copy or display the report) to other adult member of the family composition, unless the individual provides consent in writing to disclose the information.

6. EIV Identity Verification

As part of the annual reexamination process, the PRPHA will identify residents whose identity verification has failed. The PRPHA will attempt to resolve Public and Indian Housing Information Center (PIC) and the Social Security Administration (SSA) discrepancies by reviewing file documents. When the PRPHA determines that discrepancies exist due to PRPHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7.1.4 Third Party Written and Oral Verification

1. Reasonable Effort and Timing

- a. The PRPHA will seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.
- b. The PRPHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PRPHA will send a written request for verification to each required source within five (5) business days of securing a family's authorization for the release of the information and give the source ten (10) business days to respond in writing. If a response has not been received by the eleventh (11th) business day, the PRPHA will request third-party oral verification.

- c. The PRPHA will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, PRPHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used and the facts provided.
- d. The PRPHA will accept a verbal response to the initial written request for verification as oral verification, however it will also request that the source complete and return any verification forms that were provided.
- e. If a third party agrees to confirm in writing the information provided orally, the PRPHA will wait no more than five (5) business days for the information to be provided. If the information is not provided by the sixth (6th) business day, the PRPHA will use any information provided orally in combination with reviewing family-provided documents (see below).

2. When Third-Party Information is Late

When third-party verification has been requested and the time-frames for submission have been exceeded, the PRPHA will use the information from documents on a provisional basis. If the PRPHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the re-examination, the PRPHA will conduct an interim re-examination to adjust the figures used for the re-examination, regardless of the PRPHA's interim re-examination policy.

1. When Third-Party Verification is Not Required

a. Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation.

b. Certain Assets and Expenses

The PRPHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$1,000 annually and the family has original documents that support the declared amount.

c. Certain Income, Asset and Expense Sources

The PRPHA will determine that third-party verification is not available when there is a service charge for verifying an asset or expense and the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PRPHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification.

7.1.5 Review of Documents

Using Review of Documents as Verification

If the PRPHA has determined that third-party verification is not available or not required, the PRPHA will use documents provided by the family as verification.

The PRPHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PRPHA will document in the file how the PRPHA arrived at a final conclusion about the income or expense included in its calculations.

7.1.6. Self-Certification

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PRPHA.

The self-certification must be made in a format acceptable to the PRPHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PRPHA representative.

Part 2: Verifying Family Information

7.2.1 Verification of Legal Identity

The PRPHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of Birth, Social Security Number, Immigration Documents Baptismal certificate Driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) U.S. passport Voter's Registration Card (with photo ID) Employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required. Legal identity will be verified on an as needed basis.

7.2.2 Social Security Numbers

All family members must provide social security numbers. The PRPHA will also accept the following documents as evidence if the SSN is provided on the document:

- a. Identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union
- b. Income Tax Documents
- c. Benefit award letters from government agencies; retirement benefit letters; life insurance policies
- d. Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the PRPHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The PRPHA will require documentation of the SSN within sixty (60) calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided. The PRPHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least sixty two (62) years of age and are unable to submit the required documentation of their SSN within the initial sixty (60) day period, the PRPHA will grant an additional sixty (60) calendar days to provide documentation.

7.2.3 Documentation of Age

If an official record of birth or evidence of social security retirement benefits cannot be provided, the PRPHA will require the family to submit other documents that support the reported age of the family member. For example, school records, driver's license if birth year is recorded. The family will provide a self-certification. Age must be verified only once during continuously-assisted occupancy.

7.2.4 Family Relationships

1. Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household is normally sufficient verification of family relationships.
2. Certification by the head of household is normally sufficient verification. If the PRPHA has reasonable doubts about a marital relationship, the PRPHA will require the family to document the marriage. A marriage certificate generally is required to verify that a couple is married.
3. In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married.
4. Certification by the head of household is normally sufficient verification. If the PRPHA has reasonable doubts about a separation or divorce, the PRPHA will require the family to document the divorce, or separation.
5. A copy of a court-ordered maintenance or other court record is required to document a separation.

6. If no court document is available, documentation from a community-based or governmental agency will be accepted.

7.2.5 Verification of Students Status

The PRPHA requires families to provide information about the student status of all students who are eighteen (18) years of age or older. This information will be verified only if:

- The family claims full-time student status for an adult other than the head, spouse, or co-head; or
- The family claims a child care deduction to enable a family member to further his or her education.

7.2.6 Documentation of Disability

The PRPHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PRPHA is not permitted to inquire about the nature or extent of a person's disability. The PRPHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PRPHA receives a verification document that provides such information, the PRPHA will not place this information in the tenant's file. Under no circumstances will the PRPHA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities.

Inquiry into an applicant's ability to meet the requirements of ownership or tenancy.

Inquiry to determine whether an applicant qualifies for a housing unit available only to persons with disabilities or to persons with a particular type of disability.

Inquiry to determine whether an applicant for a housing unit is qualified for a priority available to persons with disabilities or to persons with a particular type of disability.

Inquiring whether an applicant is a current illegal abuser or addict of a controlled substance.

Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance.

1. Family Members Receiving SSA Disability Benefits

For family members claiming disability who receive SSI or other disability payments from the SSA, the PRPHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available. If documentation from HUD's EIV System is not available, the PRPHA will request a current (dated within the last sixty (60) days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the PRPHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the

applicant or resident receives the benefit verification letter they will be required to provide it to the PRPHA.

2. Family Members Not Receiving SSA Disability Benefits

If a family member(s) claims a disability but does not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification stating that the family member(s) meets HUD's definition of disability. (See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition).

7.2.7 Citizenship or Eligible Immigration Status

a. Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

3. PRPHA Verification

Proof of age is required for family members age sixty two (62) or older who claim to be eligible immigrants. No further verification of eligible immigration status is required. PRPHA must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS) for family members under the age of sixty two (62) who claim to be eligible immigrants.

Part 3: Verifying Income and Assets

Chapter 6, Part I of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides the PRPHA's policies that supplement the general verification procedures specified in Part 1 of this chapter.

7.3.1 EARNED Income

1. Tips

Persons who work in industries where tip incomes are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year, unless an employer includes the tip income in the family member's W-2.

7.3.2 Business and Self- Employment Income

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- An accountant's calculation of depreciation expense, computed using straight-line depreciation rules, if accelerated depreciation was used on the tax return or financial statement.

The PRPHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future re-examinations.

At any re-examination the PRPHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the PRPHA will accept the family member's certified estimate of income and schedule an interim re-examination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the PRPHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7.3.3 Periodic Payments and payments in Lieu of Earnings

1. Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the PRPHA will request a current (dated within the last sixty (60) days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the PRPHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. When the applicant receives the benefit verification letter they will be required to provide it to the PRPHA.

To verify the SS/SSI benefits of residents, the PRPHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, the PRPHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the PRPHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the resident has received the benefit verification letter they will be required to provide it to the PRPHA.

7.3.4 Child Support

The manner in which the PRPHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order:

- a. If payments are made through a local entity, the PRPHA will request a record of payments for the past twelve (12) months and request that the entity disclose any known information about the likelihood of future payments.
- b. Third-party verification from the person paying the support. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- c. Copy of the latest check and/or payment stubs.
- d. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it receives irregular or no payments, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- a. A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
- b. If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Families are not required to undertake independent enforcement action.

7.3.5 Assets and Income from Assets

1. Assets Disposed of for Less than Fair Market Value

The PRPHA will verify the value of assets disposed of only if:

- a. The PRPHA does not already have a reasonable estimation of its value from previously collected information, or
- b. The amount reported by the family in the certification appears obviously in error.

7.3.6 Net Income from Rental Property

The family must provide:

- m. A current executed lease for the property that shows the rental amount or certification from the current tenant

- n. A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PRPHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.3.7 Retirement Accounts

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

- 5 *Before* retirement, the PRPHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than four months or one hundred twenty (120) days from the effective date of the examination.
- 6 *After* retirement, the PRPHA will accept an original document from the entity holding the account dated no earlier than twelve (12) months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7.3.8 Income from Excluded Sources

The PRPHA will reconcile differences in amounts reported by the third party and the family only when the income is needed to determine how much is to be excluded (or included) in the determination of annual income. Examples of this are the Earned Income Disallowance and increases in earned income due to participation in a qualified state or local Training Program.

7.3.9 Zero Annual Income Status

The PRPHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by families claiming to have zero annual income. The PRPHA, at its discretion, will require the family to fill out a declaration of income and expenses.

Part 4: Verifying Mandatory Deductions

7.4.1 Dependent and Elderly/Disabled Household Deductions

1. Dependent Deduction

The PRPHA will verify that:

- a. Any person under the age of eighteen (18) for whom the dependent deduction is claimed is not the head, spouse or co-head of the family and is not a foster child;
or

- b. Any person age eighteen (18) or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student.

2. Elderly/Disabled Family Deduction

The PRPHA will verify that the head or spouse is sixty two (62) years of age or older or a person with disabilities.

7.4.2 Medical Expense Deduction

1. Amount of Expense

The PRPHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

- a. Third-party verification form signed by the provider, when possible
- b. If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the PRPHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PRPHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming twelve (12) months.
- c. If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming twelve (12) months

In addition, the PRPHA must verify that:

- e. The household is eligible for the deduction.
- f. The costs to be deducted are qualified medical expenses.
- g. The expenses are not paid for or reimbursed by any other source.
- h. Costs incurred in past years are counted only once.

2. Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least sixty two (62) years or a person with disabilities. The PRPHA will verify that the family meets the definition of an elderly or disabled family.

7 Unreimbursed-Expenses

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

8 Expenses Incurred in Past Years

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PRPHA will verify:

- 2 The anticipated repayment schedule
- 3 The amounts paid in the past, and
- 4 Whether the amounts to be repaid have been deducted from the family's annual income in past years

7.4.3 Disability Assistance Expenses

1. Attendant Care

The PRPHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

- a. Third-party verification form signed by the provider, when possible
- b. If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source
- c. If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming twelve (12) months

2. Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

- 2 Third-party verification of anticipated purchase costs of auxiliary apparatus.
- 3 If third-party are not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming twelve (12) months.
- 4 If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming twelve (12) months.

In addition, the PRPHA must verify that:

- a. The family member for whom the expense is incurred is a person with disabilities.
- b. The expense permits a family member, or members, to work.
- c. The expense is not reimbursed from another source.

o. Family Member(s) Permitted to Work

The PRPHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6.2.5.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

p. Unreimbursed Expenses

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7.4.4 Child Care Expenses

1. Eligible Child

Only the costs incurred for child-care for children under the age of thirteen (13) are eligible for the child-care deduction. The PRPHA will verify that the child being cared for (including foster children) is under the age of thirteen (13).

2. Unreimbursed Expense

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child-care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child-care expenses are not paid by or reimbursed to the family from any source.

3. Pursuing an Eligible Activity

The PRPHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

4. Seeking Work

Whenever possible, the PRPHA will use documentation from a state or local agency that monitors work-related requirements. In such cases the PRPHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the PRPHA any reports provided to the other agency.

In the event third-party verification is not available, the PRPHA will provide the family with a form on which the family member must record job search efforts. The PRPHA will review this information at each subsequent re-examination for which this deduction is being claimed.

5. Furthering Education

The PRPHA will request the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information regarding the timing of classes for which-the person is registered.

6. Gainful Employment

The PRPHA will seek verification of the work schedule from the employer of the person who is permitted to work by the child care. In cases in which two or more family

members could be permitted to work, the work schedules for all relevant family members may be verified.

7. Allowable Type of Child Care

The PRPHA will verify that the fees paid to the child care provider cover only child care costs and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The PRPHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

8. Reasonableness of Expenses

The actual costs the family incurs will be compared with the PRPHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PRPHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

CHAPTER VIII - LEASING AND INSPECTIONS

Introduction

An eligible family may occupy a public housing unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of twelve (12) months. It is renewed for another twelve (12) month term, except that the PRPHA may not renew the lease if the family has violated the community service requirement or other obligation imposed in the Lease.

HUD rules require the PRPHA to inspect each housing unit prior to move-in, at move-out, and annually during occupancy. In addition, the PRPHA may require additional inspections, in accordance with PRPHA Policy. This part contains the PRPHA's policies governing inspections, notification of unit entry and inspection results.

The Chapter VIII has two (2) parts:

- Part 1: Leasing
- Part 2: Inspections

Part 1: Leasing

8.1.1 Lease Orientation

After unit acceptance but prior to occupancy, a PRPHA representative will provide a lease orientation to the family. The head of household or spouse and members of the family of eighteen (18) years or more are required to attend.

1. Orientation Agenda

At the lease orientation the families will be provided with:

- a. A copy of the lease
- b. A copy of the PRPHA's Admissions and Occupancy Policies and other regulations and procedures and its Exhibits, if any

Topics to be discussed will include:

- a. Review and explanation of lease provisions
- b. Unit maintenance and work orders
- c. The PRPHA's reporting requirements
- d. Explanation of occupancy forms
- e. Community service requirements

- f. Family choice of rent
- g. Mandatory changes and transfers
- h. Reasonable Accommodations

8.1.2 Execution of Lease

1. The head of household, spouse and all other adult members of the household will be required to sign the public housing lease prior to admission. The family will go to the Administration Project Office for the execution of lease. The head of household will be provided a copy of the executed lease and the PRPHA will retain a copy in the resident's file.
2. File for household that include a live-in aide will contain file documentation signed by the live-in aide, stating that the live-in aide is not a party to the lease and is not entitled to PRPHA assistance.

8.1.3 Modifications to the Lease

1. The family will have thirty (30) days to accept any proposed revision of the lease. If the family does not accept the offer of the revised lease within that thirty (30) day timeframe, the family's tenancy will be terminated for other good cause according to the policies of PRPHA.
2. When the PRPHA proposes to modify or revise the rules and regulations, the PRPHA will notify through, at minimum, on the local newspaper or in the administrative offices at each development.
3. The lease will be amended to reflect all changes in family composition.
4. If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended and this will be actualize by a Lease Complement Form, where the head of household signs and PRPHA will be required to initial and date the change.
5. If a new household member is approved by the PRPHA to reside in the unit, the person's name and birth date will be added to the lease. The head of household and PRPHA will be required to initial and date the change. If the new member of the household is an adult, he or she will also be required to sign and date the lease.

8.1.4 Payments Under the Lease

1. Rent Payments

The tenant rent is due and payable at the administrative offices at each development on the first (1st) of every month or in the date establish on the Lease. If the first (1st) falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's tenant rent changes, the PRPHA will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

2. Utility Charges

The residents are responsible for all utility charges. Utilities must be maintained in the name of the head of household. No lease will be executed until the utilities are activated in the name of the head of household.

Nonpayment of utility charges; inappropriate and fraudulent use of the utilities and failure to maintain utilities in the name of the head of household are violations of the lease and are grounds for eviction.

3. Damage Charges

When applicable, families will be charged for damages charges as established in the PRPHA's current schedule. Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable fifteen (15) calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PRPHA may not take action for nonpayment of the charges until the conclusion of the grievance process. Nonpayment of damage charges is a violation of the lease and is grounds for eviction.

Part 2: Inspections

8.2.1 Types of Inspections

1. Move-In Inspections

The Head of Household may attend the initial inspection and sign the inspection form.

2. Move-Out Inspections

The Head of Household may attend the move out inspection and sign the inspection form. When applicable, the PRPHA will provide the tenant with a statement of charges to be made for damage beyond normal wear and tear.

3. Annual Inspections

Under the Public Housing Assessment System (PHAS), the PRPHA is required to inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS).

4. Quality Control Inspections

Supervisory quality control inspections will be conducted according to the PRPHA's maintenance plan.

5. Special Inspections

PRPHA staff may conduct a special inspection for any of the following reasons:

- d. Housekeeping
- e. Unit condition
- f. Suspected lease violation
- g. Preventive maintenance
- h. Routine maintenance
- i. Reasonable cause to believe an emergency exists

6. Other Inspections

Building exteriors, grounds, common areas and systems will be inspected according to the PRPHA's maintenance plan.

8.2.2 Notice and Scheduling of Inspections

1. Notice of Entry

a. Non-emergency Entries

The PRPHA will notify the resident in writing at least forty eight (48) hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least two (2) weeks written notice of the inspection to allow the family to prepare the unit for inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the PRPHA to enter the unit.

b. Emergency Entries

The PRPHA may enter the housing unit at any time without prior notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the PRPHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the housing unit.

2. Scheduling of Inspections

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the PRPHA at least twenty four (24) hours prior to the scheduled inspection. The PRPHA will reschedule the inspection no more than once unless the resident has a verifiable good cause that justify a reschedule for inspection. The PRPHA may request verification of such cause.

3. Attendance at Inspections

Except at move-in inspections, the tenant is not required to be present for the inspection. The tenant may attend the inspection if he or she wishes.

If no one is at home, the inspector will enter the unit, conduct the inspection and leave a copy of the inspection report in the unit.

8.2.3 Inspections Results

The PRPHA is obligated to maintain housing units and the project in decent, safe and sanitary condition and to make necessary repairs to the units.

1. Emergency Repairs

When conditions in the unit are hazardous to life, health, or safety, the PRPHA will make repairs for the attention of the situation and transfer the family within twenty four (24) hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- d. Any condition that jeopardizes the security of the unit
- e. Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- f. Natural or LP gas or fuel oil leaks
- g. Any electrical problem or condition that could result in shock or fire
- h. Utilities not in service, including no running hot water
- i. Conditions that present the imminent possibility of injury
- j. Obstacles that prevent safe entrance or exit from the unit
- k. Absence of a functioning toilet in the unit
- l. Inoperable smoke detectors

2. Non-emergency Repairs

The PRPHA will correct non-life threatening health and safety defects within fifteen (15) business days of the inspection date. If the PRPHA is unable to make repairs within that period due to circumstances beyond the PRPHA's control the PRPHA will notify the family of an estimated date of completion of works. Examples of circumstances beyond control of PRPHA may be that required parts or services are not available, and the weather conditions, among others.

The family must allow the PRPHA access to the unit in order to make repairs.

3. Resident Caused Damages

Damages to the unit beyond normal wear and tear will be billed to the tenant according to the policies established. Repeated or excessive damages to the unit beyond normal wear and tear will be considered a violation of the lease.

4. Housekeeping

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the PRPHA will interview with the Head of Household about the necessary actions to correct the situation.

PRPHA will conduct a re-inspection within thirty (30) days of the interview mentioned to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a re-inspection is considered a violation of the lease and PRPHA will initiated the termination of tenancy.

Notice of lease violation will also be issued to resident who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.

CHAPTER IX – REEXAMINATIONS

Introduction

The PRPHA is required to obtain information needed to conduct reexaminations. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process.

HUD requires that the PRPHA offer all families the choice of paying income-based rent or flat rent at least annually.

Family circumstances may change throughout the period between annual reexaminations. HUD and PRPHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PRPHA can process interim reexaminations to reflect those changes. The PRPHA shall conduct interim reexaminations of income or family composition at any time.

Also, the family can request an interim determination if other aspects of the family's income or composition change. The PRPHA must complete the interim reexamination within a reasonable time after the family's request.

For those families paying income-based rent, the PRPHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes.

The Chapter IX has four (4) parts:

- Part 1: Annual Reexaminations for Families Paying Income Based Rents
- Part 2: Reexaminations for Families Paying Flat Rents
- Part 3: Interim Reexaminations
- Part 4: Recalculating Tenant Rent

Part 1: Annual Reexaminations for Families Paying Income Based Rents

9.1.1 Scheduling Annual Reexaminations

The PRPHA will schedule annual reexaminations so that they are completed in time to coincide with the family's anniversary date. The PRPHA will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

I. Anniversary date

Is defined as twelve (12) months from the effective date of the family's last annual reexamination or from the effective date of the family's admission.

If the family transfers to a new unit, the PRPHA will perform an interim reexamination, and the anniversary date will not be changed.

The PRPHA may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

2. Notification and Participation in the Annual Reexamination Process

Families are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse and all members of eighteen (18) and older. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the PRPHA to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the PRPHA at least three (3) days in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the PRPHA will send a second notification with a new interview appointment time. This will be the final request.

If a family fails to attend the second scheduled interview without PRPHA's prior approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

9.1.2 Conducting Annual Reexaminations

1. Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a PRPHA-designated reexamination form, the form HUD 9886, Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

2. Any required documents or information that the family is unable to provide at the time of the interview must be provided within ten (10) business days of the interview. The family may request an extension, if it is unable to obtain the information or materials within the required time frame.

3. If the family does not provide the required documents or information within the required time frame or any PRPHA approved extensions, the family will be in violation of their lease and may be terminated in accordance with the policies of PRPHA.

4. The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PRPHA has reason to believe that previously reported information has changed, certain types of information that were verified at admission typically do not need to be re-verified on an annual basis. These include:

- m. Birth Certificates

- n. Social security numbers
- o. A person's disability status
- p. Citizenship or immigration status

5. Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to a suitable size unit in order to comply with occupancy standards. The PRPHA may base this decision on information provided at the annual reexamination. Policies related to such transfers are located in Chapter 12.

6. Criminal Background Checks

Each household member age eighteen (18) and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.

7. Compliance with Community Service

For families who include non-exempt individuals, the PRPHA must determine compliance with community service requirements once every twelve (12) months.

9.1.3 Effective Dates

1. Increase Rent

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least thirty (30) days in advance.

If the PRPHA, for administrative purposes, chooses to schedule an annual reexamination for completion prior to the family's anniversary date, the effective date will be determined by the PRPHA, but will always allow for the thirty (30) day notice period.

If the family causes a delay in processing the annual reexamination, increases in the family share of the rent will be applied retroactively to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the PRPHA policies.

2. Decrease Rent

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the PRPHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PRPHA.

If the family causes a delay in processing the annual reexamination, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the PRPHA by the date specified, and this delay prevents the PRPHA from completing the reexamination as scheduled.

Part 2: Reexaminations for Families Paying Flat Rents

9.2.1 Full Reexamination of family Income and Composition

1. Frequency of Reexamination

The PRPHA will conduct a full reexamination of family income and composition once every three (3) years for families paying flat rents.

2. Reexamination Policies

When conducting full reexaminations for families paying flat rents, the PRPHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in part above.

9.2.2 Reexamination of family Composition

In the years between full reexaminations, regulations require the PRPHA to conduct a reexamination of family composition.

The annual update process is similar to the annual reexamination process, except that the PRPHA does not collect information about the family's income and expenses, and the family's rent is not recalculated following an annual update.

1. Scheduling

For families paying flat rents, annual updates will be conducted in each of the two (2) years following the full reexamination.

In scheduling the annual update, the PRPHA will follow the policy used for scheduling the annual reexamination of families paying income-based rent.

2. Conducting Annual Updates

The Head of Household, spouse and members eighteen or older will be required to attend an interview for an annual update.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the PRPHA. The family will have ten (10) business days to submit the required information to the PRPHA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The extension never exceeds ten (10) days.

If the information submitted by the family is incomplete, or the family does not submit the information in the required time frame, the PRPHA will send a second written notice to the family. The family will have ten (10) business days from the date of the second notice to provide the missing information or documentation to the PRPHA. If the family does not provide the required documents or information within the required time frame

(plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the PRPHA policies.

3. Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PRPHA may use the results of the annual update to require the family to move to an appropriate size unit.

4. Criminal Background Checks

Each household member age eighteen (18) and over will be required to execute a consent form for criminal background check as part of the annual update process.

5. Compliance with Community Service

For families who include non-exempt individuals, the PRPHA must determine compliance-with community service requirements once each 12 months.

Part 3: Interim Reexaminations

9.3.1 Changes in Family and Household Composition

All families, those paying income-based rent as well as those paying a flat rent, must report all changes in family and household composition that occur between annual reexaminations or annual updates, if apply.

1. New Family Members Not Requiring Approval

The family must inform the PRPHA of the birth, adoption or court-awarded custody of a child within ten (10) business days of such event.

2. New Family and Household Members Requiring Approval

Families must request PRPHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than three (3) consecutive days. Requests must be made in writing and approved by the PRPHA prior to the individual moving into the unit.

The PRPHA will not approve the addition of new family or household members other than by birth, adoption, court-awarded custody, or marriage, if it will require the family to transfer to a larger size unit, unless the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, which should be considered by the PRPHA. Exceptions will be made on a case-by-case basis.

The PRPHA will not approve the addition of a new family or household member unless the individual meets the PRPHA's eligibility criteria.

If the PRPHA determines that an individual does not meet the PRPHA eligibility criteria as defined in Chapter III, the PRPHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PRPHA will make its determination within ten (10) business days of receiving all information required to verify the individual's eligibility.

3. Departure of a Family or Household Member

If a family member ceases to reside in the unit, the family must inform the PRPHA within ten (10) business days. This requirement also applies to family members who had been considered temporarily absent, but who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the PRPHA within ten (10) business days.

9.3.2 Changes Affecting Income or Expenses

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

1. PRPHA-initiated Interim Reexaminations

The PRPHA will conduct interim reexaminations in each of the following instances:

- q. When a family member qualifies for the Earned Income Disallowance (EID), the PRPHA will conduct an interim reexamination in order to determine the amount of income to include and exclude during the initial twelve (12) month exclusion period. An interim reexamination will also be conducted to coincide with the twelve (12) month phase-in exclusion period.
- r. If the family has reported zero income, the PRPHA will conduct an interim reexamination every six (6) months as long as the family continues to report that they have no income.
- s. If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next twelve (12) months (e.g. seasonal or cyclic income); the PRPHA will proceed to schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.
- t. If at the time of the annual reexamination, tenant-provided documents that were used on a provisional basis due to the lack of third-party verification, and third-party verification become available, the PRPHA will conduct an interim reexamination.
- u. The PRPHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a program violation or tenant fraud complaint.

2. Family-Initiated Interim Reexaminations

a. Required Reporting

Families are required to report all increases in earned income, including new employment, within ten (10) business days from date receipt of the increase in earned income or the date of that new employment is obtained.

The PRPHA will only conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and only when the EID family's rent will change as a result of the increase. In all other cases, the PRPHA will note the information in the tenant's file, but will not conduct an interim reexamination. Families are not required to report any other changes in income or expenses.

b. Optional Reporting

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the PRPHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the PRPHA will conduct an interim reexamination.

The PRPHA will not conduct a reexamination for an increase in family income unless the increase in income is greater than two hundred dollars (\$200) per month gross income. Families may report changes in income or expenses at any time.

9.3.3 Processing the Interim Reexamination

1. Method of Reporting

The family may notify the PRPHA of changes either orally or in writing. If the family provides oral notice, the PRPHA may also require the family to submit the changes in writing.

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

Based on the type of change reported, the PRPHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within ten (10) business days of receiving a request from the PRPHA. This time frame may be extended for good cause with PRPHA approval. The PRPHA will accept required documentation by mail, by fax, or in person.

2. Effective Dates

- a. If the family share of the rent is to *increase*:

The increase generally will be effective on the first (1st) of the month following thirty (30) days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the

information been provided in a timely manner. The family will be responsible for any underpaid rent and may be offered a repayment agreement.

b. If the family share of the rent is to *decrease*:

The decrease will be effective on the first (1st) day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

Part 4: Recalculating Tenant Rent

9.4.1 Changes in Utility Allowances

Unless the PRPHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first (1st) annual reexamination after the allowance is adopted.

9.4.2 Notification of New Tenant Rent

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

9.4.3 Discrepancies

During an annual or interim reexamination, the PRPHA may discover that the information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PRPHA may discover errors made by the PRPHA. When errors resulting in the overpayment or underpayment of rent are discovered, the PRPHA will make the necessary corrections or adjustments in accordance with the PRPHA policies.

CHAPTER X – SERVICE ANIMALS OWNERSHIP REGULATION AND PROCEDURES

Introduction

These regulations are in agreement with the provisions of the U.S. Department of Housing and Urban Development (HUD) and its manual entitled “The Public Housing Occupancy Handbook” Number 7465.1.

The Administrator of the PRPHA, by the authority granted by Section Number (5) of the Law Number 66 of August 17, 1989, as amended, hereby adopts these regulations, which establish the rules and conditions that shall apply to Public Housing applicants and tenants to own and keep a pet in a Public Housing unit administered by PRPHA.

A resident of the projects administered by PRPHA are allowed to have their own service animals subject to the requirements of the provisions of the Code of Federal Regulations 24CFR960.707 Animals that Assist, Support, or Provide Service to Persons with Disability.

Chapter X consists of one (1) part:

Part 1: Service Animals Policy

Part 1: Service Animals Policy

10.1.1 Service Animals Policy

Service animals are working animals that provide assistance or perform tasks for the benefit of a disabled person or animal that provides emotional support that alleviates one or more symptoms identified by the disabled person. Animal Aid - now called "service animals, animal care," or "therapy animals" - perform several tasks related to the inability of the resident, but not limited to the following:

- a. Guide for Individuals who are blind or have low vision.
- b. Alerting individuals who are deaf or hard of hearing.
- c. Provide minimal protection or rescue assistance.
- d. Pulling wheelchairs.
- e. Bring articles.
- f. Alerting people to prevent a kidnapping or

- g. Provide emotional support to people with disability.

The PRPHA may not refuse to allow a person with disabilities to have a "service animal" merely because the animal is not formally trained. Some animals that assist people with disabilities are trained professionally. Other "service animals" were trained by their owners. In some cases do not require special training. The criteria are whether the animal meets or does not meet attendance requirements or provide benefits for persons with disabilities.

The denial of PRPHA to modify or provide an exemption to the "No Pet" Policy or allow people to use or inability to live with "service animal" could violate Section 504 of the Rehabilitation Act and Fair Housing unless:

- a. That there is sufficient evidence that the animal directly affect the health and safety of other residents, this cannot be reduced or eliminated by reasonable accommodation.
- b. That there is sufficient evidence that the animal would cause substantial physical damage to property of another resident.
- c. That the presence of "service animal" could be a financial and administrative burden to the PRPHA.
- d. That the presence of " service animal" would fundamentally alter the nature of the services of the PRPHA.

The "Service Animal" is to provide reasonable accommodation to individuals with disabilities, but a person with disabilities does not automatically have a "service animal". The reasonable accommodation requires that there is a relationship between people with disabilities and the need for animal. It will allow the PRPHA to verify that the individual requesting a "service animal" is a person with disabilities and that the animal is required to assist with the disability. The PRPHA does not ask about the nature or severity of the disability of the resident, as with all investigations related to disabilities.

CHAPTER XI - COMMUNITY SERVICE

Introduction

Community service is the performance of voluntary work or duties that serve as a public benefit and that serve to improve the quality of life, enhance resident self-sufficiency, and/or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.

In administering community service requirements, the PRPHA will comply with all nondiscrimination and equal opportunity requirements.

Chapter XI consists of two (2) parts:

Part 1: Community Service Requirement

Part 2: Implementation of Community Service

Part 1: Community Service Requirement

11.1.1 Requirements

Each adult resident of the PRPHA, who is not exempt, must:

1. Contribute eight (8) hours per month of community service; or
2. Participate in an economic self-sufficiency program (as defined in the regulations) for eight (8) hours per month; or
3. Perform eight (8) hours per month of combined activities (community service and economic self-sufficiency programs).

An individual may not skip a month and then double up the following month, unless special circumstances warrant it. Individuals who have special circumstances which they believe will prevent them from completing the required community service hours for a given month, must notify the PRPHA in writing within ten (10) business days of the circumstances becoming known. The PRPHA will review the request and notify the individual, in writing, of its determination within ten (10) business days. The PRPHA may require those individuals to provide documentation to support their claim.

1. Definitions

a. Exempt Individual – Is an adult who:

- i. Is age sixty two (62) years or older
- ii. Is blind or disabled (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions
- iii. Is a primary caretaker of such an individual
- iv. Is engaged in work activities. The PRPHA will consider thirty (30) hours per week as the minimum number of hours needed to qualify for a work activity exemption.
- v. Meets the requirements for being exempted from having to engage in a work activity under the state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PRPHA is located, including a state-administered welfare-to-work program; or
- vi. Is in a family receiving assistance under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PRPHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program.

b. Community Service - *Community service* is volunteer work which includes, but is not limited to:

- i. Work at a local institution including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc. Work with a nonprofit organization that serves PRPHA residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H

programs, community clean-up programs, beautification programs, other youth or senior organizations.

- ii. Work at the PRPHA to help improve physical conditions.
- iii. Work at the PRPHA to help with children's programs.
- iv. Work at the PRPHA to help with senior programs.
- v. Helping neighborhood groups with special projects.
- vi. Working through a resident organization to help other residents with problems, serving as an officer in a resident organization, serving on the resident advisory board.
- vii. Caring for the children of other residents so they may volunteer.

c. Economic Self-Sufficiency Program

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as: Any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

These economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeships (formal or informal), or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

d. Work Activities

As it relates to an exemption from the community service requirement, *work activities* means:

- i. Unsubsidized employment;
- ii. Subsidized private sector employment;

- iii. Subsidized public sector employment;
- iv. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
- v. On-the-job training;
- vi. Job search and job readiness assistance;
- vii. Community service programs;
- viii. Vocational educational training (not to exceed 12 months with respect to any individual);
- ix. Job skills training directly related to employment;
- x. Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
- xi. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate;
- xii. Provision of child care services to an individual participating in a community service program;

2. Notification Requirements

The PRPHA will provide the family with a copy of the Community Service Policy at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request.

On an annual basis, at the time of lease renewal, the PRPHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes non-exempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11.1.2 Determination of Exemption status and compliance

1. Determination of Exemption Status

At least sixty (60) days prior to lease renewal, the PRPHA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the PRPHA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are sixty two (62) years of age and older, verification of exemption status will be done only at the initial examination. Upon completion of the verification process, the PRPHA will notify the family of its determination.

2. Determination of Compliance

Approximately sixty (60) days prior to the end of the lease term, the PRPHA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have ten (10) business days to submit the PRPHA required documentation form(s).

If the family fails to submit the required documentation within the required timeframe or PRPHA approved extension, the subject family members will be considered noncompliant with community service requirements and notices of noncompliance will be issued pursuant to the policies.

3. Change in Status between Annual Determinations

- a. If an exempt individual becomes non-exempt during the twelve (12) month lease term, it is the family's responsibility to report this change to the PRPHA within ten (10) business days.

- b. Within ten (10) business days of a family reporting such a change, or the PRPHA determining such a change is necessary, the PRPHA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.
- c. The effective date of the community service requirement will be the first of the month following the thirty (30) day notice.
- d. If a non-exempt person becomes exempt during the twelve (12) month lease term, it is the family's responsibility to report this change to the PRPHA within ten (10) business days. Any claim of exemption will be verified by the PRPHA in accordance with the policy.
- e. Within ten (10) business days of a family reporting such a change or the PRPHA determining such a change is necessary, the PRPHA will provide the family written notice that the family member is no longer subject to the community service requirement, if the PRPHA is able to verify the exemption. The exemption will be effective immediately.

11.1.3 Documentation and Verification

1. Documentation and Verification of Exemption Status

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification. The PRPHA will provide a completed copy to the family and will keep a copy in the tenant file.

The PRPHA will verify that an individual is exempt from the community service requirement. The PRPHA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the PRPHA's determination, he or she can dispute the decision through the PRPHA's grievance procedures.

2. Documentation and Verification of Compliance

Each individual who is subject to the requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed. Families will be required to submit the documentation to the PRPHA, upon request by the PRPHA. If the PRPHA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the PRPHA has the right to require third-party verification.

11.1.4 Noncompliance

The PRPHA lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month (12) lease term.

If the tenant or another family member has violated the community service requirement, the PRPHA may not renew the lease upon expiration of the twelve (12) month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the PRPHA. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve (12) month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit.

1. Notice of Initial Noncompliance

The notice of initial noncompliance will be sent at least 45 days prior to the end of the lease term.

The family will have ten (10) business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance over the twelve (12) month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required ten (10) business day timeframe, the PRPHA will terminate tenancy in accordance with the policies.

2. Continued Noncompliance

Notices of continued noncompliance will be sent at least thirty (30) days prior to the end of the lease term and will also serve as the family's termination notice.

These notifications refer to those which are required then the process described in paragraph 1 above.

The family will have ten (10) business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PRPHA will agree to continued occupancy of the family.

If the family does not request a grievance hearing, or provide such documentation within the required ten (10) business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART 2: Implementation of Community Service

11.2.1 PRPHA Program Design

The PRPHA's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills.

To achieve this objective PRPHA:

- a. Will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.
- b. Will attempt to provide the broadest choice possible to residents as they choose community service activities.
- c. Will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments.
- d. Will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations. Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the PRPHA Plan.
- e. Will provide in-house opportunities for volunteer work or self-sufficiency programs.

CHAPTER XII – TRANSFER POLICY

Introduction

Under certain circumstances the PRPHA may require the tenant to move from the unit. There are also emergency circumstances under which alternate accommodations for the tenant must be provided that may or may not require a transfer. The tenant may also request a transfer to the PRPHA.

Chapter XII consists of four (4) parts:

Part 1: Emergency Transfers

Part 2: PRPHA's Required Transfers

Part 3: Transfer Requested by Tenants

Part 4: Transfer Processing

Part 1: Emergency Transfer

12.1.1 Overview

The emergency transfers differ from a typical transfer in that it requires immediate action by the PRPHA.

In the case of an emergency, PRPHA will transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the PRPHA will find alternate accommodations for the tenant until the emergency passes, or a permanent solution is reached (i.e., return to the unit or transfer to another unit).

12.1.2 Emergency transfers

The following is considered an emergency circumstance warranting an immediate transfer of the tenant or family; Maintenance conditions in the resident's unit, building or site that pose an immediate, verifiable threat to the life, health or safety of the resident or family members that cannot be repaired or abated within 24 hours after the circumstance or PRPHA known about that. Examples of such unit or building conditions would include: a gas leak; no water; toxic contamination; and serious water leaks.

12.1.3 Emergency transfers procedures

If the transfer is necessary due to maintenance conditions, and an appropriate unit is not immediately available, the PRPHA will provide temporary accommodations to the tenant by arranging for temporary lodging at similar location inside or outside the project. If the

conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the PRPHA will transfer the tenant to the first available and appropriate unit after the temporary relocation. Emergency transfers are mandatory for the tenant.

12.1.4 Costs of transfer

The PRPHA will bear the reasonable costs of temporarily accommodating the tenant and of long term transfers, if any, due to emergency conditions. The reasonable cost of transfers includes the cost of packing, moving, and unloading.

Part 2: PRPHA’s Required transfer

12.2.2 TYPES OF PRPHA REQUIRED TRANSFERS

The types of transfers that may be required by the PRPHA include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the PRPHA are mandatory for the tenant.

1. Transfers to Make an Accessible Unit Available

When a non-accessible unit becomes available, the PRPHA will transfer a family that does not require accessible features, but that is living in an accessible unit, to a unit that does not have accessible features. The PRPHA may wait until a disabled resident requires the accessible unit before transferring the family out of the accessible unit.

2. Occupancy Standards Transfers

The PRPHA will transfer a family when the family size has changed and the family has become too large (overcrowded) or too small (over-housed) for the occupied unit.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

- *Overcrowded*: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides.
- *Over-housed*: the family no longer qualifies for the bedroom size in which they are living based on the PRPHA’s occupancy standards.

The PRPHA may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the PRPHA that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies; will only be required to transfer if it is necessary to comply with the approved exception.

3. Demolition, Disposition, Revitalizations, or Rehabilitation Transfers

The PRPHA will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The PRPHA's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, the affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

12.2.3 ADVERSE ACTION

A PRPHA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the PRPHA may not take action on the transfer until the conclusion of the grievance process.

12.2.4 COST OF TRANSFER

The PRPHA will bear the reasonable costs of PHA required transfers, with the exception that residents will be required to bear the cost of occupancy standards transfers. The reasonable costs of transfers include the cost of packing, moving, and unloading. The PRPHA will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the PRPHA will collect information from companies in the community that provide these services. The PRPHA will reimburse the family for eligible out-of-pocket moving expenses up to the PRPHA's established moving allowance.

PART 3: TRANSFERS REQUESTED BY TENANTS

12.3.1 TYPES OF RESIDENT REQUESTED TRANSFERS

The types of requests for transfers that will be considered by the PRPHA are limited to alleviate verified medical problems of a serious or life-threatening nature, when there has been a verified threat of physical harm or criminal activity, transfer as a reasonable accommodation, transfer to a larger bedroom size unit even if the family does not meet the PRPHA's definition of overcrowded, but meets the PRPHA's occupancy standards and transfer to a location nearest to the place of employment.

The PRPHA consider the following **High Priority** Transfer Request:

- a. When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature.
- b. When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the PRPHA's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, a hate crime, or domestic violence, dating violence, sexual assault, or stalking.
- c. When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features.

The PRPHA consider the following **Regular Priority** Transfer Request:

- a. When a family requests a larger bedroom size unit even if the family does not meet the PRPHA's definition of overcrowded, but meets the PRPHA's occupancy standards for the requested size unit.
- b. When the head of household or spouse works 25 miles (40,2 km) or more away from the public housing unit and has no reliable transportation, and public transportation available.

All transfers requests by the tenant are considered optional.

12.3.2 ELIGIBILITY FOR TRANSFER

Except where reasonable accommodation is being requested, the PRPHA will only consider transfer requests from residents that meet the following requirements:

1. Have not engaged in criminal activity that threatens the health and safety of residents and staff;
2. Owe no back rent or other charges, or have a pattern of late payment;
3. Have no housekeeping lease violations or history of damaging property;
4. Can get utilities turned on in the name of the head of household.

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection. Exceptions to the good record requirement may be made when it is advantageous to the PRPHA to make the transfer.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two (2) years from the date of admission, unless they have a change in family size or composition, or as needed as a reasonable accommodation.

12.3.4 COST OF TRANSFER

The resident will bear all of the costs of transfers requested by the resident.

12.3.5 HANDLING OF REQUESTS

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer. The PRPHA will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family.

The PRPHA will respond within ten (10) business days of the family's request. If the PRPHA denies the request for transfer, the family will be informed of its grievance rights.

PART 4: TRANSFER PROCESSING

12.4.1 TRANSFER LIST

The PRPHA will maintain the transfer list on the project to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. They will be handled immediately, on a case by case basis. If the emergency is not going to be resolved by a

temporary accommodation, and the resident requires a permanent transfer, that transfer will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous maintenance conditions)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, and reasonable accommodation)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other PRPHA-required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

With the approval of the executive director the PRPHA may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.

Demolition and renovation transfers will gain the highest priority as necessary to allow the PRPHA to meet the demolition or renovation schedule.

Transfers will take precedence over waiting list admissions.

12.4.2 TRANSFER OFFER POLICY

Residents will receive one transfer offer. When the transfer is required by the PRPHA, refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, refusal of that offer without good cause will result in the family to be placed at the end of the transfer list.

12.4.3 GOOD CAUSE FOR UNIT REFUSAL

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

1. Inaccessibility to source of employment, education, or job training, children's day care, or an 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.
2. The family demonstrates to the PRPHA'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.
3. A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary for the care of the principal household member.
4. The unit is not appropriate 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 thirty (30) day notice to move.
5. The unit has lead-based paint and the family includes children under the age of six (6).

The PRPHA will require documentation of good cause for unit refusals.

12.4.4 DECONCENTRATION

If subject to deconcentration requirements, the PRPHA will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established

Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, in order to achieve the PRPHA's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

12.4.5 REEXAMINATION POLICIES FOR TRANSFERS

The recertification date will remain the first (1st) day of the admission month date.

CHAPTER XIII – LEASE TERMINATION

This chapter defines the PRPHA’s policies to terminate the lease for failure to comply with the provisions of the lease and the regulations applicable to public housing program.

Chapter XIII consists of four (4) parts:

Part 1: Termination by Tenant

Part 2: Termination by PRPHA – Obligation

Part 3: Termination by PRPHA – Other Authorized Reasons

Part 4: Notification Requirements, Eviction Procedures and Record Keeping

Part 1: Termination by Tenant

13.1.1 Tenant Choose to Terminate the Lease

If a family wants to move and terminate their tenancy with the PRPHA, they must give written notice to the PRPHA at least thirty (30) calendar days in advance of their intent to vacate.

The notice of lease termination must be signed by the head of household, spouse, or other responsible person.

Part II: Termination by PRPHA – Mandatory

13.2.1 Failure to provide consent

The PRPHA must terminate the lease if any family member fails to sign and submit any consent form that is required to sign for any reexamination.

13.2.2 Failure to document citizenship

The PRPHA must terminate the lease if:

1. A family fails to submit required documentation within the required timeframe concerning any family member’s citizenship or immigration status;
2. A family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or

3. A family member, as determined by the PRPHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.
4. Such termination must be for a period of at least twenty four (24) months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

13.2.3 Failure to provide social security number

The PRPHA must terminate the lease if a resident family fails to provide the documentation or certification required for any family member who obtains a social security number, regardless of age.

13.2.4 Failure to accept the PRPHA lease revision

The PRPHA must terminate the lease if the family fails to accept the lease revision to an existing lease, provided the PRPHA has done the following:

1. The revision is on a form adopted by the PRPHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
2. The PRPHA has posted a Notice of Revision at least thirty (30) calendar days before the lease revision is scheduled to take effect.
3. The PRPHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

13.2.5 Methamphetamine conviction

The PRPHA must immediately terminate the lease if the PRPHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

13.2.6 Noncompliance with community service requirements

The PRPHA is prohibited from renewing the lease at the end of the twelve (12) month lease term if the family fails to comply with the community service requirements, as described in Chapter XI.

PART III: Termination by PRPHA – Other authorized reasons

13.3.1 Mandatory Lease provisions

1. Definitions

- a. Covered person* - means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.
- b. Dating violence* - is defined in Chapter III.
- c. Domestic violence* - is defined in Chapter III.
- d. Drug* - means a controlled substance as defined in section 102 of the Controlled Substances Act].
- e. Drug-related criminal activity* - means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.
- f. Guest* - means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.
- g. Household* - means the family and PRPHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit.
- h. Immediate family member* - is defined in Chapter III.
- i. Other person under the tenant's control* - means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.
- j. Premises* - means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

k. **Stalking** - is defined in Chapter III

l. **Violent criminal activity** - means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

2. Drug Crime On or Off the Premises

The PRPHA will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The PRPHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

3. Illegal Use of a Drug

The PRPHA will terminate the lease when the PRPHA determines that a household member is illegally using a drug or the PRPHA determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous six (6) months.

The PRPHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

4. Threat to Other Residents

The PRPHA will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PRPHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The PRPHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

5. Alcohol Abuse

The PRPHA will terminate the lease if the PRPHA determines that a household member has engaged in abuse or has a pattern of alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse during the previous six (6) months.

The PRPHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to alcohol abuse.

6. Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation

The PRPHA will terminate the lease if the PRPHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The PRPHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

7. Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions

The PRPHA will terminate the lease for the following violations of tenant obligations under the lease:

- a. Failure to make payments due under the lease, including nonpayment of rent.
- b. Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
- c. Not to provide accommodations for boarders or lodgers.
- d. To use the dwelling unit solely as a private housing dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose.
- e. To abide by necessary and reasonable regulations promulgated by the PRPHA for the benefit and well-being of the housing project and the tenants.

- f. To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting the health and safety of the housing community.
- g. To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition.
- h. To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner.

- i. To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances, including elevators.
- j. To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project.
- k. To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest.
- l. To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition.

13.3.2 Other authorized reasons for termination

The PRPHA will terminate the lease for the following reasons:

1. ***Fugitive Felon or Parole Violator*** - If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.
2. ***Persons subject to sex offender registration requirement*** - If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.
3. If after admission, the PRPHA discovers facts that made the tenant ineligible.
4. Discovery of material false statements or fraud made by the tenant in connection with an application for assistance or during the reexamination of income.
5. Failure to furnish such information and certifications regarding family composition and income as may be necessary for the PRPHA to make determinations with respect to rent, eligibility, and the appropriateness of unit size.
6. Failure to transfer to an appropriate size dwelling based on family composition, upon appropriate notice by the PRPHA that such unit is available.

7. After having been given proper advance notification, failure to permit PRPHA access to the unit for the purpose of performing routine inspections and maintenance; making improvements or repairs; or showing the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists.
8. Failure to promptly inform the PRPHA of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 business days of the event.
9. Failure to abide by the provisions of the PRPHA pet policy.
10. If the family has breached the terms of a repayment agreement entered into with the PRPHA.
11. If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.
12. If a household member has engaged in or threatened violent or abusive behavior toward PRPHA personnel.
 - 1.2 *Abusive or violent behavior towards PRPHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
 - 1.3 *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Family Absence from Unit

The family must supply any information or certification requested by the PRPHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PRPHA-requested information or certification on the purposes of family absences. The family must cooperate with the PRPHA for this purpose.

The family must promptly notify the PRPHA when all family members will be absent from the unit for an extended period.

- a. **Abandonment** - If the family vacated the unit without giving proper notice, the PRPHA will follow local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the PRPHA will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families

The PRPHA will not evict or terminate the tenancies of families solely because they are over income.

13.3.3 Alternatives to termination tenancy

The PRPHA will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member is participating, has

participated in, or has been culpable for action or failure to act in a way that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the housing unit. Upon PRPHA's request, the family must present evidence of the former household member's current address.

1. Repayment of Family Debts

If a family owes amounts to the PRPHA, as a condition of continued occupancy, the PRPHA will require the family to repay the full amount or to enter into a repayment agreement, within thirty (30) days of receiving notice from the PRPHA of the amount owed.

13.3.4 Criteria for deciding to terminate tenancy

The PRPHA will use the preponderance of evidence as the standard for making all termination decisions.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

1. Consideration of Circumstances

The PRPHA will consider the following factors before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

- a. The seriousness of the offending action, especially with respect to how it would affect other residents.
- b. The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or a victim of domestic violence, dating violence, or stalking.
- c. The effects that the eviction will have on other family members who were not involved in the action or failure to act.
- d. The effect on the community of the termination, or of the PRPHA failure to terminate the tenancy.
- e. The effect of the PRPHA decision on the integrity of the public housing program.
- f. The demand for housing by eligible families who will adhere to lease responsibilities.
- g. The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action.

- h. The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future.
- i. In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family.

2. Consideration of Rehabilitation

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the PRPHA will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully.

For this purpose the PRPHA will require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

3. Reasonable Accommodation

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the PRPHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PRPHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PRPHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter II for a discussion of reasonable accommodation.

4. Nondiscrimination Limitation

The PRPHA eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13.3.5 Prohibition against terminating tenancy of victims of domestic violence, dating violence and stalking

1. The Violence against Women Reauthorization Act of 2005 (VAWA), provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or immediate family member of the tenant's family is the victim or threatened victim of that abuse." VAWA further provides that incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as serious or repeated violations of the lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

2. When a tenant family is facing lease termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a tenant or immediate family member of the tenant's family claims that he or she is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the PRPHA will then require the individual to submit documentation affirming that claim.
3. The documentation must include two elements:
 - a. A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking
 - b. A police or court record documenting the actual or threatened abuse.
 - c. A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.
4. The required certification and supporting documentation must be submitted to the PRPHA within ten (10) business days after the individual claiming victim status receives a request for such certification. The PRPHA, owner or manager will be aware that the delivery of the certification form to the tenant in response to an incident via mail may place the victim at risk, e.g., the abuser may monitor the mail. The PRPHA may require that the tenant come into the office to pick up the certification form and will work with tenants to make delivery arrangements that do not place the tenant at risk. This ten (10) day deadline may be extended at the PRPHA discretion. If the individual does not provide the required certification and supporting documentation within ten (10) business days, or the approved extension period, the PRPHA may proceed with the termination.
5. The PRPHA also reserves the right to waive these victim verification requirements and accept only a self-certification from the victim if the PRPHA deems the victim's life to be in imminent danger.
6. Once a victim has completed certification requirements, the PRPHA will continue to assist the victim and may use bifurcation as a tool to remove a perpetrator from assistance. Owners will be notified of their legal obligation to continue housing the victim, while using lease bifurcation to remove the perpetrator from a unit. The PRPHA will make all best efforts to work with victims of domestic violence before terminating the victim's assistance.

7. In extreme circumstances when the PRPHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's (including the victim's) tenancy is not terminated, the PRPHA will bypass the standard process and proceed with the immediate termination of the family's assistance.
8. All information provided to the PRPHA on domestic violence, harassment or stalking, including the fact that a person is a victim of such violence or stalking, shall be considered confidential and cannot be entered in a database or provided to any related entity, except to the extent that disclosure (a) is requested or authorized by the person, in writing, (b) is necessary for an eviction, or (c) is otherwise required by applicable law.

PART IV: Notification requirements, eviction procedures and record keeping

13.4.1 Conducting criminal records checks

The PRPHA will conduct criminal records checks when it has come to the attention of the PRPHA, either from local law enforcement or by other means that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information.

13.4.2 Disclosure of criminal records to family

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the PRPHA will notify the household in writing of the proposed adverse action and will provide an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given ten (10) business days from the date of the PRPHA notice, to dispute the accuracy and relevance of the information. If the family does not contact the PRPHA to dispute the information within the ten (10) business day period, the PRPHA will proceed with the termination action.

If the tenant does not exercise their right to dispute prior to any adverse action, the tenant will still have the right to dispute in the grievance hearing or court trial.

13.4.3 Lease grievance notice

1. Form, Delivery, and Content of the Notice

The PRPHA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. If such attempt fails, the notice will be sent by first-class mail the same day.

All notices of lease termination will include **a statement of the protection against termination provided by VAWA for victims of domestic violence, dating violence, or stalking**. Any family member who claims that the cause for termination involves (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, dating violence, or stalking against a family member will be given the opportunity to provide documentation.

2. Timing of the Notice

The PRPHA must give written notice of lease termination:

- a. After five (5) calendar days of the rent due date, in the case of failure to pay rent.
- b. A reasonable period of time considering the seriousness of the situation (but not to exceed thirty (30) calendar days).
- c. If the health or safety of other residents, PRPHA employees, or persons residing in the immediate vicinity of the premises is threatened.
- d. If any member of the household has engaged in any drug-related criminal activity or violent criminal activity.
- e. If any member of the household has been convicted of a felony.
- f. Thirty (30) calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

3. Notice of Nonrenewal Due to Community Service Noncompliance

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the twelve (12) month opportunity to cure, the family will be issued a notice of continued noncompliance.

4. Notice of Termination Based on Citizenship Status

The PRPHA will provide a notice to advise the family of any of the following that apply:

- a. The family's eligibility for proration of assistance,
- b. The criteria and procedures for obtaining relief under the provisions for preservation of families,

- c. The family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and
- d. The family's right to request an informal hearing with the PRPHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

13.4.4 Eviction

When a family does not vacate the unit after receipt of a termination notice and by the deadline given in the notice, the PRPHA will proceed to file an eviction action in a local court with jurisdiction.

If the eviction action is finalized in court in favor of the PRPHA but the family still remains in occupancy beyond the deadline to vacate given by the court, the PRPHA will seek the assistance of the court to remove the family from the premises following local law.

The PRPHA may not proceed with an eviction action if the PRPHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

13.4.5 Notification to post office

When the PRPHA evicts an individual or family for criminal activity, including drug-related criminal activity, the PRPHA must notify the local post office that serves the dwelling unit that the individual or family is no longer residing in the unit.

13.4.6 Record keeping

The PRPHA will keep a written record of every termination and/or eviction at the development where the evicted family was residing. This record will contain the following information:

- a. Name of resident, number and identification of unit occupied.
- b. Date of lease termination notice and any other notices required by state or local law; these notices may be on the same form and will or can run concurrently.
- c. Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail.
- d. Date and method of notifying the resident.
- e. Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions.

CHAPTER XIV - GRIEVANCES AND APPEALS

Introduction

When the PRPHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision.

Chapter XIV consists of two (2) parts:

Part 1: Informal Hearing for Public Housing Applicants

Part 2: Grievances and Appeals Procedures for Public Housing Residents

Part 1: Informal Hearings for Public Housing Applicants (24 CFR966.50-57)

14.1.1 Informal Hearing Process

The process and the requirements of Informal Hearing for applicants of public housing programs are described in Part 4 of Chapter III. If the informal hearing is requested by an applicant who cannot demonstrate an eligible immigration status, and that is the reason for the notification of ineligibility, it shall follow the same rules as specified and adopted any regulations established by HUD specifically for such cases. The Informal Hearing determinations are subject to the Uniform Administrative Procedures Act of Puerto Rico.

Part 2: Grievances and Appeals Procedures for Public Housing Residents

14.2.1 Requirements

PRPHA must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any PRPHA action or failure to act involving the lease or PRPHA policies which adversely affect their rights, duties, welfare, or status.

The PRPHA grievance procedure will be incorporated by reference in the tenant lease. Residents and resident organizations will have thirty (30) calendar days from the date they are notified by the PRPHA of any proposed changes in the PRPHA grievance procedure, to submit written comments to the PRPHA.

The PRPHA will furnish a copy of the grievance procedure to each tenant and to resident organizations.

14.2.2 Definitions

- e. **Grievance** – any dispute which a tenant may have with respect to PRPHA action or failure to act in accordance with the individual tenant’s lease or PRPHA

- regulations which adversely affect the individual tenant's rights, duties, welfare or status.
- f. **Complainant** – any tenant whose grievance is presented to the PRPHA or at the project management office.
 - g. **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit.
 - h. **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - Right of the tenant to be represented by counsel
 - Opportunity for the tenant to refute the evidence presented by the PRPHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
 - A decision on the merits
 - i. **Hearing Officer/Panel** – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto.
 - j. **Tenant** – the adult person (or persons) (other than a live-in aide)
 - a. Who resides in the unit, and who executed the lease with the PRPHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
 - b. Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit.

- k. **Resident Organization** – includes a resident management.

14.2.3 Applicability

Potential grievances could address most aspects of a PRPHA operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the PRPHA. It is not applicable to disputes between tenants not involving the PRPHA. **Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the PRPHA.**

If HUD has issued a due process determination, the PRPHA may exclude from the grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- a. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the PRPHA.
- b. Any violent or drug-related criminal activity on or off such premises.
- c. Any criminal activity that resulted in felony conviction of a household member.

14.2.4 Informal settlement of grievance

The PRPHA will accept requests for an informal settlement of a grievance either orally or in writing within ten (10) business days of the grievable event. The PRPHA will then have ten (10) business days from receipt of the request to arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing.

If a tenant fails to attend the scheduled meeting without prior notice, the PRPHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

The PRPHA will prepare a summary of the informal settlement within ten (10) business days; one copy to be given to the tenant and one copy to be retained in the PRPHA tenant file.

14.3.5 Procedures to obtain a hearing

1. Requests for Hearing and Failure to Request

The tenant must submit a written request for a grievance hearing to the PRPHA within ten (10) business days upon receiving the summary of the informal settlement. The Administrative Hearing is subject to the determinations of the Uniform Administrative Procedures Act of Puerto Rico.

If the complainant does not request a hearing, the PRPHA disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the PRPHA action in disposing of the complaint in an appropriate judicial proceeding.

2. Escrow Deposits

Before a hearing is scheduled in any grievance involving the amount of rent that the PRPHA claims is due, the family must pay an escrow deposit to the PRPHA. When a family is required to make an escrow deposit, the amount to deposit will be the rent that is due and payable on the first day of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel.

The PRPHA will waive the requirement for an escrow deposit if the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income.

Unless the PRPHA waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the PRPHA disposition of the grievance in any appropriate judicial proceeding.

The PRPHA will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.

3. Scheduling of Hearings

Within ten (10) business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the PRPHA.

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or

welfare of the family. Requests to reschedule a hearing must be made orally or in writing forty eight (48) hours prior to the hearing date. At its discretion, the PRPHA may request documentation of the “good cause” prior to rescheduling the hearing.

4. Expedited Grievance Procedure

The PRPHA will establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the PRPHA, or
- Any drug-related criminal activity on or near such premises.

Such procedures will provide for an expedited notice of hearing request, an expedited scheduling of the hearing, and for an expedited decision on the grievance. The tenant will have three (3) business days to make their hearing request. The hearing officer will have three (3) business days to schedule the hearing, and three (3) business days to render a decision. All other aspects of the expedited grievance process shall be the same as for other grievances.

14.2.6 Selection of hearing officer

PRPHA grievance hearings will be conducted by a single hearing officer and not a panel. The PRPHA will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected to be impartial. The person to conduct the Administrative Hearing will have extensive knowledge of Continued Occupancy and applicable Regulations to the Program and lead them in the facilities of PRPHA’s Admission and Continued Occupancy Central Office.

14.2.7 Procedures governing the hearing

1. Rights of Complainant

The tenant will be allowed to copy any documents related to the hearing. The family must request discovery of PRPHA documents no later than 12:00 p.m. on the business day prior to the hearing.

Complainant’s rights include:

- The rights to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on behalf of the tenant.
- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the PRPHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PRPHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Hearings may be attended by the following applicable persons:

- A PRPHA representative(s) and any witnesses for the PRPHA.
- The tenant and any witnesses for the tenant.
- The tenant's counsel or other representative.
- Any other person approved by the PRPHA as part of a reasonable accommodation provided to a person with a disability.

2. Decision without Hearing

The hearing officer may render a decision without proceeding with the hearing if the hearing officer determines that the issue has been previously decided in another proceeding.

Failure to Appear

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the PRPHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant

shows good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

- “Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

General Procedures

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

- **Oral evidence:** the testimony of witnesses
- **Documentary evidence:** a writing, which is relevant to the case, for example, a letter written to the PRPHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.
- **Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence:** A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer’s decision.

The hearing officer must require the PRPHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

If the complainant would like the PRPHA to record the proceedings by audiotape, the request must be made to the PRPHA by 12:00 p.m. on the business day prior to the hearing.

The PRPHA will consider that an audio tape recording of the proceedings is a transcript.

5. Accommodations of Persons with Disabilities

The PRPHA will provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

14.3.8 Decision of the hearing officer

In rendering a decision, the hearing officer will consider the following matters:

- **PRPHA Notice to the Family:** The hearing officer will determine if the reasons for the PRPHA decision are factually stated in the notice.
- **Discovery:** The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with PRPHA policy.
- **PRPHA Evidence to Support the PRPHA Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PRPHA conclusion.
- **Validity of Grounds for Termination of Tenancy (when applicable):** The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and PRPHA policies. The PRPHA's decision will be overturned, if the grounds for termination are not specified in the regulations or are not in compliance with PRPHA policies.

The hearing officer will issue a written decision to the family and the PRPHA no later than ten (10) business days after the hearing. The report will contain the following information:

- **Hearing information:**
 - Name of the complainant
 - Date, time and place of the hearing
 - Name of the hearing officer

- Name of the PRPHA representative(s)
- Name of family representative (if any)
- Names of witnesses (if any)

- **Background:** A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

- **Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

- **Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

- **Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PRPHA's decision.

- **Order:** The hearing report will include a statement of whether the PRPHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PRPHA to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the PRPHA to restore the family's status.

Procedures for Further Hearing

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PRPHA will take effect and another hearing will not be granted.

Final Decision

When the PRPHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will submit the matter to the PRPHA Board of Commissioners within ten (10) business days from the date of the hearing officer's decision. The Board has thirty (30) calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within ten (10) business days of its decision.

A decision by the hearing officer/panel, or Board of Commissioners in favor of the PRPHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court.

CHAPTER XV – PROGRAM INTEGRITY

Introduction

The PHA is committed to ensuring that funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers PRPHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Chapter XV consists of two (2) parts:

Part 1: Preventing, Detecting, and Investigating Errors and Program Abuse

Parte2: Corrective Measures and Penalties

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15.1.1 PREVENTING ERRORS AND PROGRAM ABUSE

The PHA anticipates that the vast majority of families and PHA’s employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the PHA’s program is administered effectively and according to the highest ethical and legal standards, the PHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The PHA will provide each applicant and resident with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

The PHA will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The PHA will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family’s representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The PHA will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

PHA staff will be required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

The PHA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key PHA forms and form letters that request information from a family member.

The PHA will provide each PHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15.1.2 DETECTING ERRORS

The PRPHA will employ a variety of methods to detect errors and program abuse, including:

1. The PHA will routinely use available sources of up-front income verification to compare with family-provided information.
2. At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.
3. The PHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

The PHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the PHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

The PHA will encourage staff, residents, and the public to report possible program abuse.

15.1.3 INVESTIGATING ERRORS

The PHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the PHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The PHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require applicant/resident families to give consent to the release of additional information.

Analysis and Findings

The PHA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the PHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed to the PHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

In the case of family-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

The PHA will inform the relevant party in writing of its findings and remedies within ten (10) business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the PHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15.2.1 UNDER- OR OVERPAYMENT

An underpayment or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the PHA must promptly correct the tenant's rent and any utility reimbursement prospectively.

Increases in the tenant's rent will be implemented only after the family has received thirty (30) days notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the PHA or the PHA is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15.2.2 FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout this ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

Family Reimbursement to PHA

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The PHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the PHA will terminate the family's lease in accordance with the policies in Chapter 13.

PHA Reimbursement to Family

The PHA will not reimburse the family for any overpayment of rent when the overpayment is clearly caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].

- Provide incomplete or false information to the PHA [24 CFR 960.259(a) (4)].

- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l) (2) (iii) (C)].

Any of the following will be considered evidence of family program abuse:

1. Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

2. Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf

3. Use of a false name or the use of falsified, forged, or altered documents

4. Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

5. Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

6. Admission of program abuse by an adult family member

The PHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies:

L. The PHA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to PHA).

M. The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).

N. The PHA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.

O. The PHA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15.2.3 PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this ACOP. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

Repayment to the PHA

The family is not required to repay an underpayment of rent if the error or program abuse is caused by PHA staff.

PHA Reimbursement to Family

The PHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

Prohibited Activities

Any of the following will be considered evidence of program abuse by PHA staff:

1. Failing to comply with any public housing program requirements for personal gain.
2. Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident.
3. Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the PHA.
4. Disclosing confidential or proprietary information to outside parties.
5. Gaining profit as a result of insider knowledge of PHA activities, policies, or practices.

6. Misappropriating or misusing public housing funds.
7. Destroying, concealing, removing, or inappropriately using any records related to the public housing program.
8. Committing any other corrupt or criminal act in connection with any federal housing program.

15.2.4 CRIMINAL PROSECUTION

When the PHA determines that program abuse by a family or PHA staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the PHA will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate state or federal entity.

15.2.5 FRAUD AND PROGRAM ABUSE RECOVERIES

PHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed,; or begin eviction proceedings against a family may retain a hundred percent (100%) of the program funds that the PHA recovers [Notice PIH 2005-7 (HA)].

If the PHA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the PHA's grievance process.

CHAPTER XVI - PROGRAM ADMINISTRATION

Introduction

This chapter discusses administrative policies and practices that are relevant to PRPHA.

Chapter XVI consists of seven (7) parts:

Part 1: Setting Utility Allowance

Part 2: Flats Rents and Public Housing Maximum Rents

Part 3: Repayment of Family Debts

Part 4: Public Housing Assessment System (PHAS)

Part 5: Record-Keeping

Part 6: Reporting and Record Keeping for Children with Environmental Intervention
 Blood Lead Level.

Part 7: Notification to Applicants and Tenants regarding Protections under the Violence against Woman Reauthorization Act of 2005 (VAWA).

Part 1: Setting utility allowance

16.1.1 Utility Allowance Revisions [24 CFR 965.507]

The PHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary.

BEDROOMS	UTILITY ALLOWANCES
1	\$50.00
2	\$60.00
3	\$60.00
4	\$70.00
5	\$70.00

16.1.2 Notice Requirements [24 CFR 965.502]

The PHA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof at initial orientation of lease.

Part 2: Flat rents and public housing maximum rents

16.2.1 Rents

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Public housing maximum rents are needed to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

1. Flat Rents [24 CFR 960.253(b)]

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent should be equal to the estimated rent for which the PHA could promptly lease the public housing unit after preparation for occupancy.

In determining flat rents, PHAs must consider the following:

- 9 Location
- 10 Quality
- 11 Unit size
- 12 Unit type
- 13 Age of property
- 14 Amenities at the property and in immediate neighborhood
- 15 Housing services provided
- 16 Maintenance provided by the PHA
- 17 Utilities provided by the PHA

2. Review of Flat Rents

The PRPHA will review flat rents on an annual basis, and adjust them as necessary to ensure that flat rents continue to mirror market rent values.

3. Posting of Flat Rents

The PHA will publicly post the schedule of flat rents in a conspicuous manner in the applicable PHA or project office.

4. Documentation of Flat Rents [24 CFR 960.253(b) (5)]

The PHA must maintain records that document the method and process used to determine flat rents.

16.2.2 Public housing maximum rents

1. Review of Public Housing Maximum Rents

The PRPHA will recalculate the public housing maximum rents on an annual basis.

2. Posting of Public Housing Maximum Rents

The PRPHA will publicly post the schedule of public housing maximum rents in a conspicuous manner in the applicable PRPHA or project office.

3. Documentation of Public Housing Maximum Rents

The PRPHA will maintain records that document how the PRPHA determined the 95th percentile of TTP, whether the maximum rent was determined PHA-wide, project-wide, or with groupings of projects, and the methodology used to determine maximum rents for each unit size.

Part 3: Payment Schedules for liabilities arising from the EIV Reports

16.3.1 General Information

Tenants are required to reimburse any difference in income that has resulted from a flawed notification about revenues, one disclosure of income less than the received or the concealment of income to the PRPHA. HUD does not authorize the PRPHA to establish amnesty or debt forgiveness programs.

If the family refuses to pay the debt, to sign an agreement of payment or does not comply with the payment agreement, the PRPHA will cancel the lease of the family in accordance with the policies of the PRPHA.

The payment plan of debts from rent not resulting from the work of EIV reports is governed by the regulations of accounting.

1. Guidelines of the payment plan

The payment plan agreement must be in writing, dated, and signed by the head of the household and a representative of the PRPHA. It should include the total owed retroactive income, the total of the required down payment to the date they signed the plan, and the amount of the repayment.

It must also contain the following provisions:

1. The regulations applicable to the breach of the payment plan and the termination of the tenancy agreement.
2. The repayment of income retroactive is an additional amount to the payment of the established of monthly rent of the family and it is paid to the PRPHA.
3. The terms of the payment plan can be renegotiated when increase or decrease the income of the family.
4. Late payments or not paying the monthly rent constitutes a breach of the payment plan and may result in the cancellation of the lease.
5. The PRPHA reserves the right to report to the credit bureau the unpaid debts from tenants.

2. Determination of Retroactive Rent

PRPHA will get all the necessary documentation to determine the retroactive income of the family.

The retroactive payment of the rent and the monthly payment of rent should be affordable and not exceed forty percent (40%) of the family adjusted income.

3. Referred to the Office of the Inspector General

PRPHA will refer for investigation to the Office of the Inspector General for HUD, those tenants whose retroactive income results in an amount of five thousand dollars (\$5,000.00) or more.

4. Receipt of payments from a former tenant

PRPHA will receive payments of former tenants for those debts established at the time of the cancellation of contract or at the moment of sign a new contract, in accordance with the established accounting policies. If former tenants want to request the services of the public housing program must submit evidence of the balance of debt registered in the project where he lived.

5. Debts of Deceased Persons

In case of which the head of the household dies, the remaining family member with legal capacity to hire will assume the leadership of the family for purposes of the lease.

The PRPHA will have as it discretion to evaluate each case in particular according to the merits of it, to re - negotiate a payment plan with the new head of household of the family. In the event that the remaining family members do not have legal capacity to contract, and a guardian has been appointed, the appointed guardian do not assumes the debt or the corresponding payment.

If the head of household is the only member of the tenancy agreement, shall be in accordance with the rules of accounting of project and debts will not be logged to the EIV system.

6. Requirement of Down Payment

Before the signing of the payment agreement, the family will have to pay ten percent (10%) of the balance owed to the PRPHA.

7. Contract Signature

The head of the household and spouse (if applicable) must sign the payment agreement.

8. Failure to pay at term

If at the term established as due date, payment is not received PRPHA will send to the family a notice of delinquency, in which will be given to the family (ten 10) working days to cancel the late payment. If payment is not received after the date of expiration of the notice of default, shall be considered that it has breached the agreement and the PRPHA will cancel the tenancy agreement in accordance with the policies set forth in Chapter XIII.

9. Absence of Offer of a payment Agreement

PRPHA will not sign a payment agreement if the family already has signed an agreement of payment or if the sums owed by the family exceed State or Federal limit for criminal charge.

Part 4: Record keeping

16.4.1 General Information

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

1. During the term of each public housing tenancy, and for at least four (4) years thereafter, the PHA will keep all documents related to a family's eligibility, tenancy, and termination.
2. In addition, the PHA will keep the following records for at least four (4) years:
 - a. An application from each ineligible family and notice that the applicant is not eligible.
 - b. Lead-based paint records as required by 24 CFR 35, Subpart B.

- c. Documentation supporting the establishment of flat rents and the public housing maximum rent.
- d. Documentation supporting the establishment of utility allowances and surcharges.
- e. Documentation supporting PHAS scores.
- f. Accounts and other records supporting PHA budget and financial statements for the program.
- g. Other records as determined by the PHA or as required by HUD.
- h. If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents.

This policy will be in harmony with the laws, regulations, administrative orders, or approved for the conservation and disposition of documents. The PRPHA determine the terms of conservation of documents when necessary.

16.4.2 Records management

All applicant and participant information will be kept in a secure location and access will be limited to authorized PHA staff.

PHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

1. Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

2. Upfront Income Verification (UIV) Records

The PRPHA establish procedures to ensure the security and confidentiality of information through any system of Upfront Income Verification approved by HUD and used by PRPHA. These guarantees will be made in accordance with the laws and regulations.

3. Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

4. Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition, the PHA should not place this information in the tenant file.

Part 5: Reporting requirements for children with environmental intervention blood lead level

1. The PHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.
2. The PHA will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within five (5) business days of receiving the information.

Part 6: Notification to applicants and tenants regarding protections under the Violence Against Woman Reauthorization Act of 2005 (VAWA)

1. The PRPHA will provide all applicants and tenants with notification of their protections and rights under VAWA at the time they request an application for housing assistance, at the time of admission or annual reexamination.

The notice will explain the protections afforded under the law, inform each applicant of PHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers. The PHA will also include in all notices of denial provisions of the law relating to lease termination.

CHAPTER XVII - LOW INCOME HOUSING TAX CREDIT UNITS

Introduction

The Low Income Housing Tax Credit (LIHTC) is a federal tax incentive used to encourage private sector investors, developers and lenders to finance, construct and operate affordable housing. Since the program's founding in 1986, LIHTC tax credits have been allocated for the construction and rehabilitation of more than 1.6 million housing units.

The PRPHA will substantially rehabilitate public housing units under the Low Income Housing Tax Credit Program throughout its existing properties. Therefore, the admissions and occupancy of those units must comply with the regulations outlined in Section 42 of the Internal Revenue Code, as well as, the requirements of the public housing program. This Chapter addresses the changes and modifications to the procedures in the management of LIHTC units under the Admission and Continued Occupancy Policy. Management of LIHTC units must comply with this Chapter. In absence of guidance under this Chapter all policies and procedures outlined elsewhere in this ACOP apply.

Chapter XVII consists of eight (8) parts:

- Part 1: Eligibility for Admission - LIHTC Units
- Part 2: Application, Waiting List and Tenant Selection
- Part 3: Occupancy Standards and Unit Offer
- Part 4: Income and Rent Determination
- Part 5: Verification of Family Information and Income
- Part 6: Lease, Inspection and Lease Termination
- Part 7: Annual Reexamination
- Part 8: Transfer Policy - LIHTC Units

Part I: Eligibility for Admission - LIHTC units

17.1.1: Eligibility

Area Median Gross Income (AMGI) is a significant concept in the Low Income Housing Tax Credit Program (the “Program”), as it is the starting point for both the income limits and rent limits; for both federal and state purposes. For families to initially be eligible to

enter the program and occupy a LIHTC unit, their total gross income cannot exceed sixty percent (60%) of AMGI, which is the Owner’s minimum set-aside election, for their family size without any deductions or adjustments.

When determining income levels for qualifying tenants, an accurate family size must be determined. A family includes all occupants of a unit. Household size is critical in calculating the maximum allowable income for LIHTC properties and/or units. For the Public Housing Program, all people living in a unit are included in determining the appropriate unit size, even if they are not considered in determining the maximum allowable income for the Tax Credit Program. The following table summarizes who should be included to determine appropriate unit size for the public housing program and maximum allowable income for the tax credit program:

	Includes for Determining Unit Size	Includes for Determining Maximum Income Limit
Head/Co Head	Yes	Yes
Spouse	Yes	Yes
Dependants	Yes	Yes
Other Adults	Yes	Yes
Temporarily Absent Family Member	Yes	Maybe (17.1.1)
Persons Permanently Confined to Hospital or Nursing Home	No	Maybe (17.1.2)
Children under Joint Custody (present more than 50% of the time)	Yes	Maybe (17.1.3)
Live-in Aide/ Assistant	Yes	No
Children Away at School who live at Home during School Recesses	Yes	Yes
Unborn Children	Yes	Yes
Foster Children	Yes	No
Foster Adults	Yes	No
Children Pending Adoption or Custody	Yes	Yes
Guest	No	No

17.1.2 Income of Temporarily Absent Family Members

A. Owners must count all income of family members approved to reside in the unit, even if some members are temporarily absent.

B. If the Owner determines that an absent person is no longer a family member, the individual must be removed from the lease, the TIC¹ and Form HUD-50058.

¹ Tenant Income Certification

C. A temporarily absent individual on active military duty can be removed from the family lease, and his or her income must not be counted unless that person is the head of the family, spouse, or co-head.

- i. However, if the spouse or a dependent of the person on active military duty resides in the unit, that person's income must be counted in full, even if the military member is not the head, or spouse of the head of the family.

17.1.3: Income of Permanently Confined Family Members

An individual permanently confined to a nursing home or hospital may not be named as family head, spouse, or co-head but may continue as a family member at the family's discretion. The family's decision on whether or not to include the permanently confined family member as a family member determines if that person's income will be counted.

A. Include the individual as a family member and the income (and for the Public Housing Program allowable deductions related to the medical care of the permanently confined individual) are counted;

Or

b. Exclude the individual as a family member and the income and allowances based on the medical care of the permanently confined individual are not counted.

If the family elects to include the permanently confined member, the individual is listed on the TIC and Form HUD-50058, as an adult who is not the head, spouse, or co-head, even when the permanently confined family member is married to the person who is or will become the head of the family. The Owner should consider extenuating circumstances that may prevent the confined member from being able to sign the TIC.

If the Owner determines the confined member is unable to sign the TIC, the Owner must document in the file as to why the signature was not obtained. If the family elects not to include the permanently confined member, the individual would not be listed on the TIC neither the HUD-50058.

17.1.4: Children Joint Custody

When more than one family shares custody of a child and both families live in assisted housing, only one family at a time can claim the dependent deduction. The family that counts the dependent deduction also counts the unearned income of the child. The other family claims neither the dependent deduction nor the unearned income of the child.

For eligibility of tenants occupying a LIHTC unit at the time of acquisition/rehabilitation of the development, the initial income certification must be completed within one hundred twenty (120) days after the date of acquisition or the placed-in-service date. The

effective date of the tenant income certification is the date of acquisition or the placed-in-service date.

Tenants who are eligible for a LIHTC unit must also qualify for the public housing program per the policies of this ACOP.

Part II: Application, Waiting List and Tenant Selection

17.2.1 Application

Applications for LIHTC units must be signed and dated by all adult members of the family household (age eighteen (18) years or older at the time of application) on or before the Initial Income Certification date for the LIHTC unit.

All members of the household must indicate their student status.

17.2.2 Waiting List

The Tax Credit Program does not have a waiting list regulation or procedure. The applicable procedures are as per those under the Public Housing Program referenced in Chapter 4.

A sub-list will be maintained at each Regional Office for families that are LIHTC income and otherwise eligible for admissions to LIHTC units. All preferences and points will be secondary to income eligibility for admissions.

17.2.3 Tenant Selection

The PRPHA will comply with all applicable rules and regulations pertaining to the LIHTC units at the time of tenant selection, as well as those pertaining to the public housing program referenced in Chapter 4.

Vacant Units

Vacant units do not qualify as low-income units when low-income tenants do not occupy them. Reasonable attempts must be made to rent to tenant having a qualifying income and student status.

Suitable for Occupancy

A unit will not be treated as a low-income unit if it is not suitable for occupancy, determined in accordance with Treasury regulations taking into account local health, safety, and building codes². Property managers should continually monitor the physical

² IRC §42(i) (3) (B).

condition of their low-income units to ensure they fulfill this suitability for occupancy test, before making them available for rent and tenant selection.

Full-Time Students Rule

A unit is not considered a LIHTC unit if all the occupants of such units are full-time students. As defined in IRC Section 151(c) (4) a “student” is an individual who during each of five calendar months during the calendar year, in which the taxable year of the taxpayer begins, is a full-time student at an education organization. The determination of student status as full or part-time should be based on the criteria used by the educational organization the student is attending. The term “educational organization” includes elementary schools, junior and senior high schools, colleges, universities, and technical, trade and mechanical schools. It does not include on-the-job training courses.

As per IRC Section 42(i) (3) (D), the exceptions to the full-time student rule include:

- a. Students who are married and are entitled to file a joint tax return;
- b. Students who receive assistance under Title IV of the Social Security Act;
- c. Students enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or Local laws;
- d. Students who are single parent receiving Aid to Families with Dependent Children (AFDC) payments with minor children who are also student; or
- e. Students who are single parents and their children and such parents are not dependents (as defined in IRC Section 152, determined without regard to subsection (b)(1), (b)(2) thereof) of another individual and such children are not dependents (as of define) of another individual other than a parent of such children.

For dealing with full-time students in tax credit properties, the PRPHA will thoroughly evaluate all student status and will require documentation of full-time student status exception, as applicable. Each full-time student eighteen (18) years of age or older residing in a LIHTC household must complete a LIHTC Student Eligibility Certification (LIHTC Form 049) at initial certification and every recertification of the household.

Part III: Occupancy Standards and Unit Offers

17.3.1 Occupancy Standards

The Tax Credit Program does not have an occupancy standard regulation. The applicable procedures are as per those under the Public Housing Program referenced in Chapter V.

17.3.2 Unit Offers

All current public housing families occupying LIHTC units and current public housing families wishing to transfer to LIHTC units must be certified as per the Full-time Student Rule and be income eligible under the LIHTC program.

Any other transfer of families to public housing units shall be in accordance to the public housing applicable policies and procedures.

Part IV: Tenant Income and Rent Determination

17.4.1 Tenant Income

Annual income is the gross anticipated annualized income that is determined the qualifying tenant will receive. At admission, all families must meet the income eligibility criteria of no more than sixty percent (60%) of the area median gross income (AMGI). The family's gross income from all sources and assets –with exception to the excluded tenant annual income items - will be used for certification without any adjustments or deductions under the LIHTC Program.

The Tenant Income Certification (TIC) should be signed and dated on or before its effective date. Other documents accompanying the income certification should be obtained and dated on or before but no more than 120 days before the TIC effective date.

Property Managers must verify all income and assets directly from the source of the income, whenever possible and as applicable. Below some examples of items that should be included and excluded in determining tenant annual income and items included and excluded as tenant assets:

Included Tenant Annual Income	Excluded Tenant Annual Income
Gross amount of wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services of all adults in the household even if it is a mandatory earned income disregard (EID) for annual income under the Public Housing Program.	Earned income of children younger than 18 and earned income in excess of \$480 of dependants that are full-time students.
Annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments.	“Meals on Wheels” or other programs that provide food for the needy.
Income from a business.	Grants for: handicapped persons auxiliary apparatus, medical expenses, attendant care, and education.

Alimony and child support. Owners must count alimony or child support amounts awarded by the court unless the applicant certifies that payments are not being made and that he or she has taken all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment.	Income of live-in attendants.
Public assistance income in welfare programs. Social Security Payments.	Payment received for care of foster children. Principal repayments received on mortgages or deeds of trust.
Income of temporarily absent family members.	Student loans.
Income of persons permanently confined to a hospital or nursing home if the persons are included for purposes of income.	Inheritance.
Lottery winnings paid in periodic payments.	Insurance settlement under health and accident insurance and workers compensation.
Interest, dividends and other income from net family assets.	Lottery winnings paid in lump sum payments (it is included as asset).
	Settlement for personal or property losses. Annual rent credits paid to senior citizens.
Any regular contributions and gift from persons not living in the unit. These sources may include rent and utility payment paid on behalf of the family, and other cash or non-cash contribution provided on a regular basis.	Groceries and/or contributions paid directly to the childcare provider by persons not living in the unit are excluded from annual income. Temporary, nonrecurring, or sporadic income (including gifts) is not counted.
Amounts derived from assets to which family members have access.	Hazardous duty pays to a family member in the military.
	Payments received under training programs funded by HUD.
	Earned income tax credits.
	Adoption assistance payments in excess of \$480.

17.4.2 Assets

Assets are items of value that may be turned into cash. The calculation to determine the amount of income from assets to include in annual income considers both of the following:

- a. The total cash value of the family’s assets; and
- b. The amount of income those assets are earning or could earn.

The rule for calculating income from assets differs depending on whether the total cash value of family assets is \$5,000 or less, or is more than \$5,000. To comply with the rule for determining the amount of income from assets, it is necessary to first determine whether the total “cash value” of family assets exceeds \$5,000.

The “cash value” of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash, such as the following:

- (1) Penalties for premature withdrawal;
- (2) Broker and legal fees; and
- (3) Settlement costs for real estate transactions.

The cash value is the amount the family could actually receive in cash, if the family converted an asset to cash. If the total cash value of all the family’s assets is \$5,000 or less, the actual income the family receives from assets is the amount that is included in annual income as income from assets. When net family assets are more than \$5,000, annual income includes the greater of the following:

- a. Actual income from assets;

Or

- b. A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets. The passbook rate is currently set at 2%.

To begin this calculation, first add the cash value of all assets. Multiply the total cash value of all assets by .02. The product is the “imputed income” from assets. Then, add the actual income from all assets. The greater of the imputed income from assets or the actual income from assets is included in the calculation of annual income.

Below some examples of items that should be included and excluded in determining tenant assets:

Included Tenant Assets	Excluded Tenant Assets
Cash held in savings, checking accounts, safety deposit boxes.	Necessary personal property.
Principal value of any trust available to the household.	Vehicles equipped for the handicapped.
Equity in rental property or other capital investments.	Interests in Indian trust land.
Stocks, bonds, treasury bills, certificates of deposit and money market funds.	Life insurance policies.

Individual retirement and KEOGH accounts. Retirement and pension funds.	Equity in the cooperative unit in which the family lives.
Lump sum receipts of: inheritances, capital gains, one-time lottery winnings, settlements on insurance and other claims.	Assets that are part of an active business. Business does not include rental of properties that are held as investments and not a main occupation.
Personal property held as investment (gems, jewelry, coin collections, or antique cars).	Assets that are not effectively owned by the tenant.
Assets disposed of for less than fair market value within 2 years before effective date of certification/re-certification.	

For further guidance on other included and excluded income items and assets, and verification methods, see HUD Handbook 4350.3 REV-1, Chapter V.

17.4.3 Rent Determination

LIHTC properties/units must comply with maximum rent and resident income limits. Household income limits and maximum rents are based on an "Area Median Income" (AMI) formula as calculated by HUD. The AMI is determined annually, is adjusted for family size and varies by location. These units are also required to comply with affordability standards that are consistent with their mission of providing rent restricted housing to qualified low-income households. The primary restrictions of the LIHTC program include the "minimum set aside" and limitations on household incomes and allowable rents.

Hence, families occupying LIHTC units will never pay more than the maximum rent calculated according to the LIHTC regulation. Public Housing Program Flat Rents can be applied to the LIHTC units but this amount cannot exceed the Tax Credit Maximum Rent.

17.4.4 Utility Allowances

Any necessary utilities paid directly by the tenant, as defined by the PRPHA and which excludes telephone costs, will require a corresponding utility allowance that reduces the maximum rent that can be charged to the tenant.

The PRPHA must annually review its Utility Allowances Schedule, and must also revise during any given period specific Utility Allowances for a specific category that has increased 10% or more since its last revision. The PRPHA has 90 days to implement updates to utility allowances made by the agency or by the utility companies into their rents calculations.

Part V: Verification of Family Information and Income

17.5.1 Verifications

Property Managers must verify all income and assets directly from the source of the income, whenever possible and as applicable. The PRPHA must receive third party verifications of income and assets from all sources for all adult members of the household not more than 120 days before the start of the twelve (12) month time period of the income certification. Written verification sent directly by a third party source is the preferred method of verification.

If written third party verification is not possible, the next acceptable method is by phone with documentation of the conversation. If a third party is not available, the Project Manager will determine net income based on historical documents, tenant declaration, among others. All verifications must be signed and dated by the third party person verifying the information and send directly to the PRPHA (Management Agent or Representatives).

Acceptable verifications are, in order of acceptability, third-party verification, review of documents, and family certification. If third-party verification is not available, owners must document the tenant file to explain why third-party verification was not available.

Families who do not have assets in excess of \$5,000 must sign a sworn statement “Certification of Assets” indicating that his or her assets are less than \$5,000. The sworn statement waives the third-party verification; otherwise, all other verification procedures under Chapter 7 of this ACOP will apply.

Part VI: Lease, Inspections and Lease Terminations

17.6.1 Lease

The initial Lease Term for LIHTC units must be at least six (6) full months for any one bedroom or more than one bedroom unit.

The Lease must be signed by all adult members of the family (age 18 or older at the time of certification).

17.6.2 Inspections

All LIHTC units under IRC Section 42 must satisfy local health, safety, and building codes standards, and are subject to inspections by the State Allocating agency. Such requirements are in addition to HUD’s Uniform Physical Condition Standards (UPCS) applicable for units convened under the public housing program. Units that do not meet the requirements of the LIHTC program will be identified as a violation and may be excluded from the tax credit status.

17.6.3 Lease Termination

In addition to those reasons outlined in Chapter XIII - Lease Terminations, families residing in LIHTC units can also have their lease terminated:

- a. If all members of the family composition are full-time students and do not qualify for one of the applicable exceptions, as per Section 17.2.2 of this Chapter;
- b. If household tenants fail to fulfill their annual recertification requirements; or
- c. Any other material identified non-compliance of the Lease.

Part VII: Annual Reexamination

17.7.1 Annual Reexaminations

Recertification for LIHTC must be performed annually by the anniversary of the family's effective certification date for the LIHTC unit. All verification procedures under Chapter VII of the PRPHA ACOP, HUD and LIHTC requirements apply.

In some instances, the LIHTC Allocating Agency may waive this requirement. Effective July 30, 2008, 100 percent (100%) tax credit property owners no longer need to annually recertify resident household incomes. That is, resident must continue to be income qualified upon initial residency, but need not be recertified thereafter. Property files will still need to contain thorough third party verifications of income upon initial occupancy.

Notwithstanding the above, Puerto Rico Housing Finance Authority (Puerto Rico LIHTC Allocating Agency) still requires the preparation of the first annual recertification of all the units in the project. This certification process is identical to the initial certification. The use of the Alternate Certification is required for all the subsequent anniversary dates.

Part VIII: Transfer Policy

17.8.1 Transfer

Families may be transferred into a LIHTC unit even if they are over-income only if they are transferred to a unit in a building with the same Building Identification Number (BIN). To be eligible to a transfer to a building with other Building Identification Number, the family has to be income eligible. Families may be transferred from one LIHTC unit to another based also on the Transfer Policies outlined in Chapter XII.

Tenants that transfer from one unit to another unit must be recertified.