Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

AGENDA **REGULAR MEETING OF THE BOARD OF COMMISSIONERS**
DATE & TIME **Wednesday, November 20, 2024 - 6:00 PM**
LOCATION
Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

PUBLIC PARTICIPATION Public access to this meeting is available as follows:
Join Zoom Meeting
https://us06web.zoom.us/j/83030077310?pwd=fv5xIYAEFr5k4f7GI6KQMDOK4vRw4g.1

Meeting ID: 830 3007 7310
Passcode: 790402

Persons wishing to address the Board of Commissioners are asked to submit comments for the public speaking portion of the Agenda as follows:

- Send an email with your comment(s) to jpolar@alamedahsg.org and vcooper@alamedahsg.org prior to or during the Board of Commissioners meeting
- Call and leave a message at (510) 871-7435.

When addressing the Board, on agenda items or business introduced by Commissioners, members of the public may speak for a maximum of three minutes per agenda item when the subject is before the Board.

Persons in need of special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (voice), TTY/TRS: 711, or jpolar@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility or language assistance.

PLEDGE OF ALLEGIANCE

1. ROLL CALL
2. AB2449 COMPLIANCE The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the jurisdiction of the City of

Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances." For Emergency Circumstances, the request must be approved by a majority vote of the Board of Commissioners for the emergency circumstances to be used as a justification to participate remotely. Remote Commissioners must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Commissioner must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member's relationship with such individuals. Note: A Commissioner cannot participate in meetings of the Board of Commissioners solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AHA within a calendar year, or more than 2 meetings if the Board of Commissioners regularly meets fewer than 10 times per calendar year.

3. COMMISSIONER RECUSALS

4. Public Comment (Non-Agenda)

5. Closed Session - 6:00 p.m. - Adjournment to Closed Session to Consider:

5.A. **Conference with Real Property Negotiations**
(Government Code § 54956.8)
Property: 501 Mosely Street, Alameda, CA 94501, APN 074-0905-012-09 Portion of 074-0905-010-12 and Portion 074-0905-010-03
Agency Negotiation: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, Alison Torbitt (Nixon and Peabody - counsel)
Negotiating Parties: Housing Authority of the City of Alameda
Under Negotiation: Price and terms of payment.

5.B. **Conference with Real Property Negotiations**
(Government Code § 54956.8)
Property: 703 Atlantic Avenue, Alameda, California, aka Independence Plaza, APN:074-0906-057
Agency Negotiation: Vanessa Cooper, Executive Director; Sylvia Martinez, Director of Housing Development; and Tonya Schuler-Cummins, Director of Data and Policy
Negotiating Parties: Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation
Under Negotiation: Price and terms of payment.

5.C. Public Employee Performance Evaluation (Ca. Government Code § 54957)
Title: Executive Director

6. Adjournment of Closed Session

7. RECONVENE REGULAR MEETING

8. Announcement of Action Taken in Closed Session, if any.

9. Public Comment (Non-Agenda)

10. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

10.A. Approve Minutes of the Regular Board of Commissioners Meeting held on October 16, 2024. **Page 5**

10.B. Accept the Monthly Overview Report for the Housing Programs Department. **Page 11**

10.C. Accept the Monthly Overview Report for Property Operations. **Page 14**

10.D. Accept the Monthly Update on Construction in Progress (CIP). **Page 19**

10.E. Accept the Quarterly Overview Report for the Housing Development Department. **Page 22**

10.F. Accept the Quarterly Development Report for The Estuary II. **Page 34**

10.G. Accept Quarterly Family Self Sufficiency (FSS) Report. **Page 39**

10.H. Accept the Quarterly Overview Report for the Executive/Data and Policy and HR Departments. **Page 42**

10.I. Accept the Quarterly Overview Report For The Administration and Services Department. **Page 46**

10.J. Accept the Quarterly Overview Report for the Asset Management Department. **Page 55**

10.K. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through September 30, 2024. **Page 57**

10.L. Accept the Quarterly Financial Report for the month ended September 30, 2024. **Page 83**

10.M. Accept the Quarterly Investment Report for the Period Ending September 30, 2024. **Page 96**

10.N. Authorize the Executive Director to execute the second amendment to the agreement with Techordia, LLC. for security camera management services. **Page 107**

10.O. Approve the Quarterly Write-off to September 30, 2024 of Uncollectible Accounts Receivable from Former Residents. **Page 122**

10.P. Approve the 2023-24 Housing Successor Agency Report. **Page 125**

10.Q. Approve changes to the Administrative Plan to implement the approved Moving To Work (MTW) activities and other procedural updates. **Page 133**

10.R. Approval of Commissioner conference attendance and 2025 Out-of-State travel. **Page 318**

10.S. Approve Changes to the 2014 Contract with the Executive Director. **Page 321**

11. AGENDA

11.A. Accept a Presentation on Electric Vehicle (EV) Charging options for Housing Authority of the City of Alameda (AHA) properties. **Page 326**

11.B. Accept the Update on the Independence Plaza Faircloth to RAD transaction; Approve the Authorizing Resolution 1084 for Independence Plaza Faircloth to RAD Transaction Documents; Approve expenditures of up to $4M from AHA reserves to repay the Fannie Mae mortgage and to create a replacement reserve for the property and to cover other related costs as needed; Cancel the $34M seller carry back loan to AAHC. **Page 345**

11.C. Accept the Update on Initial Development and Financing Plan and Project Timeline for The Poplar (2615 Eagle Avenue). **Page 362**

11.D. Approve Update to the Admissions and Continued Occupancy Policy and allow Executive Director to Make Revisions. **Page 384**

12. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

13. WRITTEN COMMUNICATIONS

14. EXECUTIVE DIRECTOR'S COMMUNICATIONS

15. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

16. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED

17. Announcement of Action Taken in Closed Session, if any.

18. ADJOURNMENT

* * * Note * * *

- Documents related to this agenda are available on-line at: https://www.alamedahsg.org/meetings/
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.

Housing Authority of the City of Alameda

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DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
WEDNESDAY, OCTOBER 16, 2024

PLEDGE OF ALLEGIANCE

Chair Grob called the meeting to order at 6:02 p.m.

1. ROLL CALL

Present: Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

Absent: Commissioner Kaufman

2. AB2449 COMPLIANCE The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances." For Emergency Circumstances, the request must be approved by a majority vote of the Board of Commissioners for the emergency circumstances to be used as a justification to participate remotely. Remote Commissioners must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Commissioner must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member's relationship with such individuals. Note: A Commissioner cannot participate in meetings of the Board of Commissioners solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AHA within a calendar year, or more than 2 meetings if the Board of Commissioners regularly meets fewer than 10 times per calendar year.

Chair Grob confirmed there were more than 4 Commissioners present in the noticed meeting room and there were no Commissioners attending virtually.

3. COMMISSIONER RECUSALS

None.

4. Public Comment (Non-Agenda)

Vanessa Cooper, Executive Director, stated that a letter was submitted for Public Comment and, while the speaker is not currently present, she is welcome to speak during the Public Comment period following Closed Session. [Speaker did not show to speak subsequently.] The Board was provided with a copy of the submitted letter from East Bay Community Law Center and the Housing Authority of the City of Alameda's (AHA) response to the letter.

5. Closed Session - 6:00 p.m. - Adjournment to Closed Session to Consider:

Chair Grob adjourned to Closed Session at 6:05 p.m.

5.A. **Conference with Real Property Negotiations**
(Government Code § 54956.8)
Property: 501 Mosely Street, Alameda, CA 94501, APN 074-0905-012-09 Portion of 074-0905-010-12 and Portion 074-0905-010-03
Agency Negotiation: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, Alison Torbitt (Nixon and Peabody - counsel)
Negotiating Parties: Housing Authority of the City of Alameda
Under Negotiation: Price and terms of payment.

6. Adjournment of Closed Session

Chair Grob adjourned Closed Session at 7:12 p.m.

7. RECONVENE REGULAR MEETING

Chair Grob reconvened the regular meeting at 7:12 p.m.

8. Announcement of Action Taken in Closed Session, if any.

Chair Grob stated that during Closed Session the Board discussed item 5.A.

9. Public Comment (Non-Agenda)

None.

10. <u>CONSENT CALENDER</u>
Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or

explanation is received from the Board of Commissioners or a member of the public.

*10.A. Approve Minutes of the Regular Board of Commissioners Meeting held on September 18, 2024 and the Special Board of Commissioners Meeting held on September 25, 2025.

*10.B. Accept the Monthly Overview Report for the Housing Programs Department.

*10.C. Accept the Monthly Overview Report for Property Operations.

*10.D. Accept the Monthly Update on Construction in Progress (CIP).

*10.E. Accept the Monthly Construction Report for The Estuary I.

*10.F. Accept the Monthly Construction Report for Linnet Corner.

*10.G. Accept FY2022-23, FY2023-24 and FY2024-25 ROPS funding and Approve a FY2025-26 and Up To Three More Years of ROPS Funding Request for The Poplar.

*10.H. Accept the Monthly Report for North Housing Offsites.

*10.I. Authorize the Executive Director to make minor administrative changes to the Agency Cash in Lieu of Vacation program and to make the pilot program permanent.

*10.J. Approve changes to the Administrative Plan.

Items accepted or adopted are indicated by an asterisk.

Commissioner Tamaoki moved to accept the Consent Calendar items, and Commissioner Joseph-Brown seconded. The motion passed unanimously.

Yes	6	Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

11. <u>AGENDA</u>

11.A. Accept the Housing Authority of the City of Alameda (AHA) Annual Report for the Fiscal Year 2023-2024 (July 1, 2023 - June 30, 2024).

Joshua Altieri, Community Relations Manager, provided a presentation that summarized the Annual Report for FY 23-24 and provided a recap of the year in photos which highlighted North Housing progress, capital improvement projects, a recruitment video, various community events, and the 2024 Townhall Meetings.

11.B. Accept the Annual CIP Update and Forecast for Years 2023–2025.

Joseph Nagel, Senior Construction Manager, provided a presentation that summarized the CIP Update/Forecast for years 2023-2025 and highlighted construction work performed, related costs, and work forecasted for completion in 2025.

The Board expressed appreciation for the work performed to improve the lives of the residents and protect the financial investments made in the properties.

11.C. Adopt the Resolution to Revise the Housing Authority's Conflict of Interest Code.

Alicia Southern, Director of Human Resources, provided a presentation that summarized the proposed revisions to the Conflict of Interest Code.

Vice-Chair Sidelnikov moved to adopt the Resolution to Revise the Housing Authority's Conflict of Interest Code, and Commissioner Husby seconded. A roll call vote was taken, and the motion passed unanimously.

Yes	6	Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

12. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

13. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Ms. Cooper expressed appreciation for the work performed to complete the CIP Projects, noting that, with Board approved funding, AHA was able to complete balcony repairs required by SB721 ahead of the respective deadline. Ms. Cooper also thanked Rhada Mehta, Management Analyst, and Ani Ryder, Management Analyst, for managing the slide shows for tonight's meeting.

Ms. Cooper stated that a multi-lingual outreach package has been developed for the AHA transit pass program, which is available for residents at the Anne B. Diament, Everett Commons, Rosefield Village, Senior Condos, and Lincoln Willow properties. LifeSTEPS is managing the enrollment for this program.

In addition, arrangements have been made for Mastick Senior Center staff to provide informational presentations of services available through their program, at the AHA senior properties.

AHA is also continuing to work with the Zero Waste Program to educate residents about composting and recycling through the distribution of brochures, and to coordinate the distribution of compost bins and recycling totes.

Ms. Cooper announced that AHA's Wait List will be open during the period of

December 3, 2024 through December 16, 2024. Wait List Applications will be accepted through on-line submission via computer, telephone, and/or tablet. Friends and/or family can submit for individuals who may not be technically inclined, and a number of AHA community partners will be opening computer centers to allow for application submission, as well.

Ms. Cooper recognized the retirement of Briant Polk, who worked for AHA for 24 years and was the last member of AHA's maintenance staff.

Ms. Cooper appreciated the Board for their attendance of, and feedback provided during, the 2024 Board of Commissioners Retreat. Ms. Cooper announced that Tax Credit Training is being hosted in the Ruth Rambeau Memorial Community Room at Independence Plaza through Friday, October 18, 2024, and AHA will also be hosting a one day tax credit training about the development of tax credit housing on November 19, 2024. This training may be attended by members of the Board of Commissioners. Commissioners interested in attending the training will need to notify staff.

Ms. Cooper made an appeal for PBV & HCV voucher holders to participate in, and/or refer acquaintances to participate in, the Resident Advisory Board. Individuals who are interested should contact Sepideh Kiumarsi, Senior Management Analyst, or Ana Campos, Management Analyst. An email with their respective contact information will be disseminated.

Ms. Cooper also stated that a previous AHA summer intern will return to AHA, during the week of October 21st, as a part-time employee.

14. <u>COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)</u>

Vice-Chair Sidelnikov reminded the Board Commissioners to sign up for 2025 conference attendance. The deadline for signing up has been extended through October 31, 2024, and Jasmine Polar, Senior Executive Assistant, will resend the conference options and attendance preference memo. Vice-Chair Sidelnikov reminded everyone to register to vote, as there are a number of local initiatives on the ballot. Answers to voter registration questions can be found at vote.org.

Chair Grob stated that Ms. Cooper will be sending out her Executive Director Evaluation on November 4, 2024, and encouraged Commissioners to participate and provide their feedback by the respective deadline. Any questions should be directed to Chair Grob.

15. <u>CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED</u>

N/A

16. Announcement of Action Taken in Closed Session, if any.

N/A

17. <u>ADJOURNMENT</u>

Chair Grob adjourned to Closed Session at 8:17 p.m.

______________________	______________________
Vanessa M. Cooper Secretary and Executive Director	Carly Grob, Chair Board of Commissioners

Housing Authority of the City of Alameda

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To:	Honorable Chair and Members of the Board of Commissioners
From:	Vanessa Cooper, Executive Director
Date:	November 20, 2024
Re:	Accept the Monthly Overview Report for the Housing Programs Department.

BACKGROUND

This memo is a high-level overview of Housing Programs Department (HPD) activities for the prior month.

DISCUSSION

Overview

Routine activities continue for the Housing Programs Department with a focus on closing out the Housing Choice Voucher Program activities for the 2023-24 audit and address any outstanding actions before the budget year-end of December 31, 2024. Staff continue to process tenant cases, including routine re-certifications and inspections, preparing tenants for the Faircloth to RAD conversion at Independence Plaza, and changes in income and household composition that arise during the year. The attachment provides some key data.

Customer Service

The Department has started a renewed push to improve customer service. Customer service for the Housing Authority of the City of Alameda (AHA) focuses on three key aspects: 1) timeliness of response, 2) accuracy of response, and 3) public/staff interaction. This initiative includes expanding staff training and installing a call center system that allows supervisors to screen calls and for calls to be redirected as needed when staff are absent or unavailable. An enhanced Quality Control system is also being rolled out.

Budget

The Voucher Program continues to be in a budget shortfall, although regular meetings with HUD staff appear to provide assurance that any year-end shortfall will be met. HPD staff, along with Finance, are monitoring this closely.

Waitlist
AHA is opening a housing wait list application for the Housing Choice Voucher (HCV) program and select Project-Based Voucher (PBV) programs during the period of Tuesday, December 3rd at 12pm through Monday, December 16th at 12pm. For more information, please visit: https://www.alamedahsg.org/applicants/wait-lists/.

Staff in various departments are preparing for the wait list opening, which includes preparing outreach materials, setting up Yardi systems, and setting up centers across Alameda where applicants can get in-person assistance. Training classes have been set up for staff and service providers to assist the public.

Staffing
Staff in Data and Policy are assisting with filling some staffing gaps in HPD and with special projects. There is one position currently in recruitment, Housing Specialist II, who will work on the Family Self Sufficiency program.

FISCAL IMPACT
For report only, no fiscal impact.

CEQA
N/A

RECOMMENDATION
Accept the Monthly Overview of the Housing Programs Department.

ATTACHMENTS
1. October 2024 HPD BOC Dashboard

Respectfully submitted,

Vanessa Cooper

Vanessa Cooper, Executive Director

Housing Programs Department Dashboard for October 2024

Total NON-ACC Vouchers Leased By Type		
Program	**Vouchers Leased**	**Amount Awarded/Funded**
Shelter Plus Care	18	18
Moderate Rehabilitation SRO	30	30

Total ACC Vouchers Leased By Type		
Voucher Program	**Vouchers Leased**	**Amount Awarded**
Housing Choice Vouchers (HCV)	1010	Not Applicable
Project Based Vouchers (PBV)	328	Not Applicable
AHA-Owned HCV	237	Not Applicable
Port Outs	0	Not Applicable
Family Unification Program (FUP)	42	50
Veterans Affairs Supportive Housing (VASH)	54	76
Stability Vouchers (SV)	1	10
Total Vouchers Leased	1671	
Units on ACC	1923	
ACC Vouchers Not Leased	252	

Budget Authority (For October 2024 - Average Across 12 months)
$ 3,003,016.67
Total HAP expended
$ 3,786,382.00
HAP/Budget Authority
126.1%

Emergency Housing Vouchers*	
EHV (7760) in Alameda	37
EHV Port Outs	16
Total Leased	53
Total Awarded	57

***vouchers will decrease over time due to the sunset of the program and HUD's prohibition**

Average Duration from voucher issuance to those leased up in October 2024 (days)
137.8
Average Tenant Rent to Owner
$ 551.46
Average TTP
$ 611.33
Average HH income
$ 25,180.54
Percentage of Inspections Passed First-Time (10/2024)
11%
Inspections Completed (10/2024)
307

Average of HAP per Bedroom size		
Bedroom Size	**Average HAP**	**Count of Households**
0	$ 679.81	412
1	$ 1,774.89	597
2	$ 2,109.97	531
3	$ 2,748.55	189
4	$ 2,987.64	26
5	$ 4,088.50	2

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To: Honorable Chair and Members of the Board of Commissioners

From: Nancy Gerardin, Director of Property Operations

Date: November 20, 2024

Re: Accept the Monthly Overview Report for Property Operations.

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the last month.

DISCUSSION

The attached table (Attachment 1) summarizes property performance for all sites including Housing Authority of the City of Alameda (AHA) and affiliate-owned sites for the month of October for all properties FPI Management (FPI) manages. We continue to work closely with FPI to improve overall property operations.

VACANCY

The attached table (Attachment 1) reflects the end of month occupancy and leased rate per site. Staff are working with FPI to improve the timeliness of the leasing efforts, and review vacancy loss weekly with FPI to reduce vacancies and improve the unit turn process. The average days to make ready during the month of October was 7. The Q3 average days to make ready was 10.75, which is an improvement over Q2 at 18.6 days and Q1 which was 25 days to make ready.

In August AHA implemented a pre-screening process to assist with the leasing efforts of PBV units at Anne B. Diament, Parrot Village, and Littlejohn Commons. The intent is to minimize the amount of downtime during the outreach and review of the initial resident selection criteria with staff performing the outreach, initial review of occupancy and income qualifications, and mailing of disposition letters to families and the Housing Programs Department. Once applications have been identified as pre-qualified, the files will be sent to FPI for final criteria review to include background and landlord reference confirmation. Thus far, this process has proven to be beneficial. In September, we included the pre-screening process for Independence Plaza and Parrot Village 4 bedroom units, and all remaining PBV units within the portfolio will be added to this process effective November 1st. As part of the resident screening, FPI is also requesting that new applicants provide a copy of their rent ledger to ensure they pass the landlord reference portion. This is not required from those who are homeless or living with family.

Vacancies that do not have a wait list are posted on the AHA website and applications are available through the Resident Managers, as well as affordablehousing.com, GoSection 8 (the Section 8 online search engine), and on Craigslist.

RENT COLLECTIONS

The attached table (Attachment 1) provides the rent collection rate versus budget for all AHA-owned and affiliate-owned sites managed by FPI. Overall portfolio rent collection rate for the month of October was 92.9%.

Properties with collection rates in excess of 95% are due to higher market rents achieved vs. budget coupled with increased subsidy payments. The lower collection rates are primarily due to the units pending legal action and past due balances for residents (some properties are still affected by non-payment of rent during the COVID-19 pandemic).

Like many owners, especially non-profit owners, AHA is still seeing a fairly large payment issue stemming from the COVID era. The total delinquency (unpaid rent) for the portfolio for current residents is $570,023. Of this, the total delinquency for residents in legal (i.e. subject to a 30-day notice of termination) is $373,122.

All residents with a past due balance are referred to LifeSTEPS for assistance. Property Management and LifeSTEPS continue to engage residents and encourage them to enter into a repayment agreement. Residents who owe over $100 are issued a 30-day notice to pay or quit and are referred to legal counsel for review of their cases and, where necessary, the 30-day notice to pay or quit has been filed with the court. LifeSTEPS, FPI, and the Ombudsman are working with these families to enter into a "stay and pay" stipulated agreement. However, a very small number have not complied and will be evicted if they do not leave before the lock out.

Residents who only owe back rent from prior to December 2022 cannot be issued a 30-day notice, so some fairly significant balances will remain on the ledger until the resident moves out. A few other legal cases are ongoing for nuisance behavior.

Rent collections, pending legal/eviction matters, and overall account receivable collection efforts are reviewed in detail weekly by AHA with FPI.

RENT INCREASES

Rent increases have been and will continue to be issued at all sites in the coming months, in accordance with the new payment standards implemented in November 2024. This will result in increases to the total contract rent going up, but these rent increases are raised to the level of the new Payment Standards and generally will not impact subsidized residents' rent portion, as long as they are not over-housed.

SOCIAL SERVICES

LifeSTEPS has been providing aid to tenants and households and continues to link them to financial and social service agencies, as needed. LifeSTEPS is also actively engaged in resident functions and participated in the Town Hall meetings conducted in the month of October, along with the FPI and AHA management teams. In the month of November, FPI and LifeSTEPS will collaborate to engage with residents to introduce and encourage online and automated payment options, such as through the resident portal, WIPS (walk-in payment system), and Flex. Flex is a new payment option that allows residents to pay rent on a bi-monthly schedule. However, landlords receive rent payments as they are due per the lease terms.

The intent is to hold several resident meetings to personally assist residents with signing up for their desired payment options and provide support on navigating Rent Café/the resident portal. This time will also be used as an opportunity to gather and confirm current resident contact information and demographic data.

MAINTENANCE

Unit by unit inspections were conducted by FPI for each community and annual HQS inspections are in process. These inspections allow management and ownership to proactively address any repairs needed, evaluate overall property condition, and assist residents that may need social services to address personal needs.

AHA continues to conduct bi-weekly site inspections to assess all common areas, vacant units, and potential life safety matters.

HIRING

The department is in the process of hiring a Property Management Supervisor.

FISCAL IMPACT

Not applicable.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Overview Report for Property Operations.

ATTACHMENTS

1. October 2024 Data BOC Attachment

Respectfully submitted,

Nancy Gerardin, Director of Property Operations

ATTACHMENT 1

Oct-24

Property Name	Owned by	Managed by	Total units	Senior or Family	Manager units	Gross Potential Rent (Budgeted)	Resident Rent Collected	Subsidy collected	Total Rent Collected (Actual)	% collected	Current Total Unpaid Charges - October Month End	0-30 Day AR	31-60 Day AR	61-90 Day AR	90 + Day AR	Eviction Status AR - October Month End
China Clipper	AHHC	FPI	26	Family	0	$53,626.00	$13,865	$ 38,256	$ 52,121	97.2%	$ 26,043	$ 2,023	$ 3,080	$ 345	$ 20,713	$ 13,944
Esperanza	AAHC	FPI	120	Family	1	$392,959.00	$101,780	$ 298,665	$ 400,445	101.9%	$ 22,816	$ 984	$ 967	$ 1,087	$ 35,855	$ 110,399
Littlejohn Commons	ICD	FPI	31	Senior	1	$65,167.00	$12,682	$ 51,395	$ 64,077	98.3%	$ 1,145	$ 804	$ 363	$ 0	$ 106	$ 0
Parrot Garden	AHA	FPI	8	Family	1	$25,384.00	$17,872	$ 11,325	$ 29,197	115.0%	$ 25	$ 0	$ 0	$ 0	$ 25	$ 0
Parrot Village	AAHC	FPI	50	Family	0	$183,063.00	$33,892	$ 145,278	$ 179,170	97.9%	$ 24,567	$ 3,217	$ 1,786	$ 637	$ 19,142	$ 41,702
Everett Commons	ICD	FPI	20	Family	1	$53,865.00	$11,785	$ 44,099	$ 55,884	103.7%	-$ 1	$ 1,282	$ 0	$ 266	-$ 820	$ 16,085
Scattered Sites	AHA	FPI	25	Family	0	$53,482.00	$15,321	$ 44,854	$ 60,175	112.5%	$ 33,482	$ 1,519	$ 1,583	$ 25	$ 32,460	$ 0
Scattered Sites	AAHC	FPI	27	Family	0	$64,222.00	$22,422	$ 37,864	$ 60,286	93.9%	$ 57,749	$ 2,564	$ 2,761	$ 75	$ 55,729	$ 0
Rosefield Village	ICD	FPI	92	Family	1	$180,217.00	$75,859	$ 77,978	$ 153,837	85.4%	$ 20,641	$ 5,649	$ 1,440	$ 23	$ 14,822	$ 151,300
Eagle Village	AAHC	FPI	36	Family	1	$97,281.00	$21,209	$ 58,495	$ 79,704	81.9%	-$ 2,133	$ 1,689	$ 50	$ 19	-$ 3,369	$ 18,038
Independence Plaza	AAHC	FPI	186	Senior	1	$460,813.00	$213,224	$ 160,205	$ 373,429	81.0%	$ 12,826	$ 1,047	$ 196	$ 99	$ 11,914	$ 11,653
Anne B Diament	AHHC	FPI	65	Senior	1	$138,986.00	$27,612	$ 108,356	$ 135,968	97.8%	-$ 259	$ 258	$ 277	$ 0	$ 48	$ 10,001
TOTAL			**686**		**8**	**$1,769,065.00**	**$567,523.00**	**$1,076,770.00**	**$1,644,293.00**	**92.9%**	**$ 196,901**	**$21,036**	**$12,503**	**$2,576**	**$186,625**	**$373,122**

Month Ending October 2024

Property Name	Owned by	Total Vacant 10/31/24	Occupancy	Leased %
China Clipper	AHHC	0	100.00%	100.00%
Esperanza	AAHC	3	97.56%	99.18%
Littlejohn Commons	ICD	1	96.77%	96.77%
Parrot Garden	AHA	1	87.50%	87.50%
Parrot Village	AAHC	3	94.00%	94.00%
Everett Commons	ICD	2	90.00%	95.00%
Scattered Sites	AHA	1	96.15%	100.00%
Scattered Sites	AAHC	0	100.00%	100.00%
Rosefield Village	ICD	5	94.56%	95.65%
Eagle Village	AAHC	0	100.00%	100.00%
Independence Plaza	AAHC	9	95.16%	96.77%
Anne B Diament	AHHC	3	95.38%	98.46%
TOTAL		**28**	**95.9%**	**97.39%**

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Joseph Nagel, Senior Construction Project Manager

Date: November 20, 2024

Re: Accept the Monthly Update on Construction in Progress (CIP).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) and its affiliate, the Alameda Affordable Housing Corporation (AAHC), own and operate multifamily properties throughout Alameda. Periodically, work is scheduled to maintain and upgrade existing buildings, or to improve property that is anticipated to be redeveloped in the future. In 2022, AHA and AAHC obtained Physical Needs Assessments (PNA) on all properties over 5 years old. These assessments delineated capital needs over a 15-year period, but also highlighted any health and safety needs and items for short-term attention. AHA and AAHC have completed or begun all health and safety items, and plan to address short-term needs through the annual budgeting process for every property. Staff prioritizes work that is health and safety-related, lender-required, or provides risk mitigation. Priority tasks are divided between onsite FPI staff and contracting, and larger projects where there may be additional plan and permit submissions, which are undertaken by AHA staff. The Housing Development Department is currently recruiting an additional Construction Manager to assist with the roll-out of these upcoming CIP projects. A formal update to the Board on portfolio work was given in October 2024.

There are multiple sizable projects being planned or underway at this time. This report serves to provide updates on this work.

DISCUSSION

The following construction projects are in progress as of this Board Meeting.

1. SB721 Inspections
Site: Multiple Properties
Total cost: $ 37,697
Source of funds: AHA General Fund
Purpose: Senate Bill 721 (September 17, 2018) requires an inspection of exterior elevated elements and waterproofing assemblies for buildings with 3 or more dwelling units, to be inspected by January 1, 2025, and subsequent inspections every 6 years.

Timeline: Inspections have been completed.
Status: Repair has been completed at Independence Plaza in 2023 and is near completion at Anne B. Diament Plaza. Inspection reports from Bureau Veritas were received and have been reviewed. Two properties were reported to have immediate needs for remediation of defects on elevated balconies and walkways. Lincoln House, Unit D, elevated entry walkway and China Clipper, Units 203 and 303, private balconies. AHA is currently soliciting engineering services for these repairs.

2. Independence Plaza
Site: Independence Plaza
Total cost: $834,983
Source of funds: Property Operating Budget
Purpose: A CNA was performed in January 2024 and the report was received in February 2024 noting various items requiring remediation. Siding repairs, exterior walkway pergola wood framing rot, existing elevators with eye beam sensors instead of light curtain sensors, ADA deficiencies at the exterior doors with insufficient strike side clearance-automatic push button door openers, lobby restroom door knobs, leasing office door knobs, laundry room counter, sink and laundry folding table heights, kitchen faucets with knobs instead of handle levers, audio and visual units where the existing strobes are not working with the fire alarm system, ADA parking spaces, and approaches where there is excessive slope on grade, etc.
Timeline: This work is in progress and being addressed by various vendors as well as FPI and AHA Staff.
Status: This project is 95% complete.

FISCAL IMPACT

Funding for repairs and maintenance on existing properties owned by either AHA or the AAHC is from either project reserves or the 2024 Reserve Policy Preservation Budget, as adopted by the AHA Board of Commissioners. Funding for the Independence Plaza Balcony repair is also being supported by redevelopment funds from the City of Alameda.

CEQA

None

RECOMMENDATION

Accept the Monthly Update on Construction in Progress (CIP).

ATTACHMENTS

None

Respectfully submitted,

Joseph Nagel, Senior Construction Project Manager

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
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TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: November 20, 2024

Re: Accept the Quarterly Overview Report for the Housing Development Department.

BACKGROUND

This memo provides an overview of the Housing Development departmental activities for the prior quarter.

DISCUSSION

Island City Development

Currently, the Housing Authority of the City of Alameda (AHA) has a direct pre-development loan to Island City Development (ICD) for The Poplar, and another loan to Estuary II through its affiliate Alameda Affordable Housing Corporation (AAHC) via the Alameda Affordable Housing Trust Fund (AAHTF). AHA has also provided options for ground leases for ICD pipeline projects (Estuary II & The Poplar). The loan balance and project details are discussed in the subsequent project specific Board reports.

In September 2023, ICD signed two Agreements of Housing Assistance Payment Contract (AHAP) with the AHA for eighty vouchers at Estuary I and Linnet Corner. There is an outstanding voucher commitment to Estuary II, for forty vouchers as well, pending full financing of the projects.

Affordable Housing Project Pipeline

- ***Rosefield Village –*** Rosefield is waiting for its final tax forms (IRS 8609) to be able to deliver tax credits to its investor. These forms may be available in either late 2024 or early 2025. At that time, a deferred and held back developer fee will be released to ICD and AHA.
- ***Estuary I, Linnet Corner –*** Estuary I and Linnet Corner are under construction. An update report on these projects is presented as a separate Board item.
- ***Estuary II –*** Staff submitted seven major funding applications this year for Estuary II. The limiting factors in terms of competitiveness have been twofold:

(1) Not being in a high opportunity area, and (2) reliance on limited state tax credits. Staff was successful in obtaining a nearly $10 million award from the National Housing Trust Fund and also an award of local funds from the City of Alameda.

- ***North Master Plan –*** AHA has contracted offsite work to support Block A and an update report is presented as a separate Board item. Additional soil disposal will be needed and is contemplated in the reports of the projects in construction.
- ***The Poplar (2615 Eagle) –*** An updated report on the project is presented as a separate Board item.
- ***Feasibility Studies –*** Housing Development (HD) and Data and Policy staff continue to collaborate to utilize the AHA's Faircloth voucher allocation.

Acquisitions

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available.

New Funding Opportunities

The outlook for funding opportunities for new construction in the State of California is increasingly constrained, with only two major programs (The SuperNofa and Homekey+) with limited available funding for 2025. Estuary II is vulnerable to losing existing financing commitments if it does not receive tax credits in early 2025. The Poplar will not come online for a few more years, allowing this funding slowdown to clear. Major renovations can still be funded, as they typically do not rely on state funding.

Electric Vehicle (EV) Charging

- Independence Plaza has been the subject of a pilot feasibility program with Alameda Municipal Power to add EV charging stations. The goal is to add at least two charging stations that would be available for residents and staff. These charging stations would not need to be available to the public. The engineering feasibility has been conducted and staff is discussing leasing opportunities that would potentially offset the cost of installation.
- Staff is working with the City of Alameda and a selected EV charging vendor, Itselectric (see attached overview). Itselectric is looking to phase in car charging sites on public streets, with an emphasis on underserved areas of Alameda. The AHA portfolio of properties, which are located throughout the main island, can potentially be a host for these chargers. This system benefits the community and AHA residents, without requiring parking spaces on private property. AHA is evaluating the host participation agreement and proposed locations, which will be brought to the Board for approval.

Construction in Progress

A separate report to the Board tracks the many different activities that are underway to improve the portfolio and prepare sites for development. Housing Development, Asset Management, and Property Management staff brought an update on overall CIP to the Board in October.

Community Relations
All Project Managers (PMs) are assigned to City working groups (Design Review Team, Human Services, Sustainability) and are encouraged to participate and report out. Housing Development worked with the City and AMP to submit a decarbonization proposal in 2023, and is also in conversation with the City regarding car charging systems and other initiatives. Staff publishes a periodic pipeline newsletter to communicate with interested parties. The most recent newsletter was released in September 2024.

Staffing
While the Housing Development Department is fully staffed at this time, the department seeks to add a new Construction Project Manager this year for future work.

FISCAL IMPACT
Not applicable.

CEQA
Not applicable.

RECOMMENDATION
Accept the Monthly Overview Report for Housing Development.

ATTACHMENTS
1. itselectric_INTRO

Respectfully submitted,

Sylvia Martinez, Director of Housing Development

Solving the biggest barriers cities face in the deployment of public EV charging

it's electric

AARIAN MARSHALL MATT SIMON BUSINESS JAN 24, 2022 7:00 AM

Wait, So Where Will Urbanites Charge Their EVs?

Homeowners with garages can easily charge their electric cars, but not apartment dwellers. Here's what it'll take to get plugs everywhere in cities.

'Charger Desert' in Big Cities Keeps Electric Cars From Mainstream

For city dwellers who would love an E.V., the biggest hurdle might be keeping it juiced up without a garage or other convenient charging stations.

1M public L2 chargers are needed in the US by 2030

For the 48 million EVs expected on the road by the same date

(Currently the US has 126,000 chargers)

1.2M Public Chargers Needed. 1M of those L2
Source: NREL / The White House 06.23

126k Current Public Level 2 Chargers In the US
Source: S&P Global Mobility 01.23

Bloomberg projects higher need at 2.2M
Source: Bloomberg NEF 06.23

itselectric is the world's first public charging system powered by buildings

Solving the biggest barrier cities face in the deployment of chargers

We utilize existing residential and commercial infrastructure to power our chargers

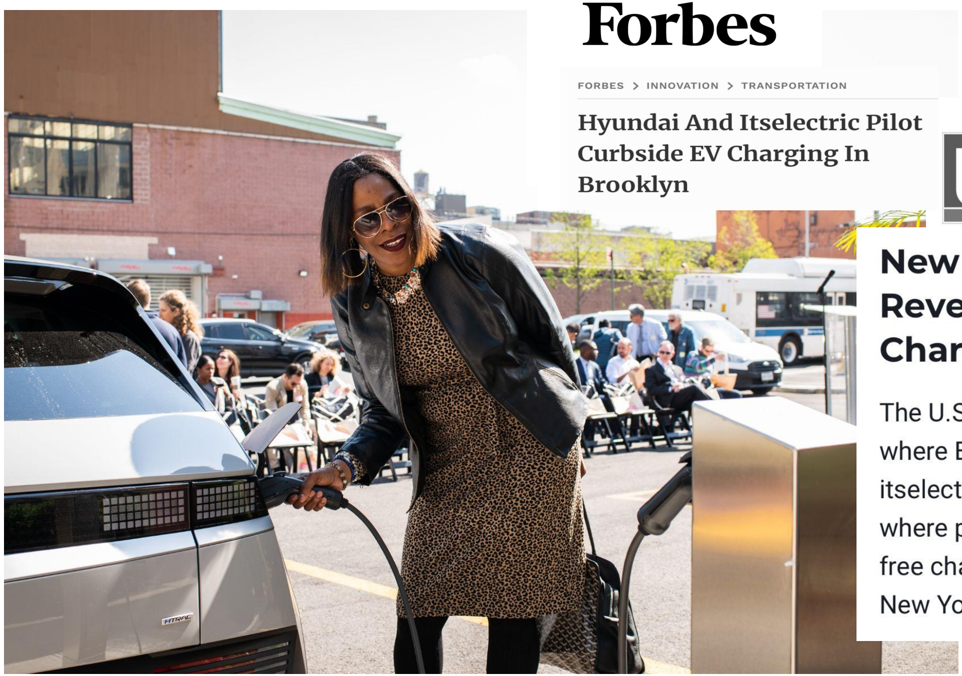
We simply run a shallow conduit from the building's panel to the curb to power a public charger

We are also the first US company to offer a detachable cable

Keeping streets free of cables when a car is not charging

There are **no hardware or installation costs** for cities or for property owners

We are the only curbside charging company with **revenue share**



Forbes

FORBES > INNOVATION > TRANSPORTATION

Hyundai And Itselectric Pilot Curbside EV Charging In Brooklyn

U.S.News & WORLD REPORT

New York to Pilot Revenue-Sharing EV Charging

The U.S. has many "charging deserts" where EV owners have no place to plug in. itselectric is proposing an urban model where property owners gain revenue from free chargers installed at their locations. New York City has a pilot program.

A simple but revolutionary idea

it's electric
Wins the 2023 SXSW Innovation Award
SXSW

White House
EV Acceleration
Challenge

KEELING CURVE PRIZE
Finalist

it's electric
Wins Fast Company's 2023 Innovation by Design Awards for Sustainability
FAST COMPANY

it's electric
Wins the 2023 Fast Company Next Big Things in Tech Award for Sustainability
FAST COMPANY

WORLD ECONOMIC FORUM
Top Innovator

+ CRAIN'S NEW YORK BUSINESS · The Atlantic · Forbes · MONOCLE · THE WALL STREET JOURNAL. · CleanTechnica · U.S.News & WORLD REPORT · Grist · npr

The future

it's electric

hello@itselectric.us

Housing Authority of the City of Alameda

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TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tony Weng, Senior Project Manager

Date: November 20, 2024

Re: Accept the Quarterly Development Report for The Estuary II.

BACKGROUND

The Estuary II is one of the three projects within North Housing Block A. Block A is the first phase of the larger 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS) site known as Coast Guard Housing. The Estuary II is expected to have 46 units of permanent supportive housing for formerly homeless individuals and/or households.

The Housing Authority of the City of Alameda (AHA) is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative and Building Futures. Island City Development (ICD) is the developer.

The North Housing parcel was successfully transferred to AHA ownership on May 30, 2019. The AHA Board of Commissioners (the Board) approved the Agency's Vision for the North Housing site at its August 2019 meeting. All entitlements were approved in 2020. In October 2023, the first phase Final Map was recorded to create the parcels and the streets within Block A. Estuary II was designed and planned as a condominium project for vertical construction on vacant land. The building permit is ready to be issued upon payment of the building permit fees. Once issued the permit is good for 12 months or 12 months from the last approved inspection by the Building Department.

Please see previous Board reports for project details before this month's update.

DISCUSSION

Funding

AHA has made a funding commitment through its Reserve Policy for $3,750,000 which is flowing through the Alameda Affordable Housing Trust Fund (AAHTF) administered by the Alameda Affordable Housing Corporation (AAHC). The AAHTF commitment has been awarded matching funds from the State Local Housing Trust Fund (LHTF) Program with $1,250,000 of the matching funds committed to The Estuary II project.

Together, the AAHTF commitment is $5,000,000. Per the Standard Agreement, the final disbursement request for this funding is due by March 31, 2031. The Board also approved an option to ground lease the land, at a subsidized rate in 2021. If and when State of California Department of Housing and Community Development (HCD) funding is awarded to this project that requires a below market land lease or land donation the ground lease for up to the Fair Market Value (FMV) evidenced by the seller carryback financing may be converted to land contribution to the project for a nominal fee of $1 per year for 99 years. This similar financing structure was used on the Linnet Corner project with HCD funding.

On June 23, 2023, the Federal Home Loan Bank of San Francisco awarded $690,000 in Affordable Housing Program (AHP) funds to the project. Projects with an AHP award have 4 years from the award to use the AHP funds, and our AHP award will expire on or about June 23, 2027.

On April 4, 2024, HCD awarded $9,761,541 from the National Housing Trust Fund (NHTF) program for this project. On October 24, 2024, the Standard Agreement was signed to allow HCD to secure the NHTF from the Department of Housing and Urban Development (HUD). Per the terms of the commitment and milestones, HCD allows the proposed project to commence construction by January 31, 2026. This timeline allows the project to apply for tax credits and other anticipated HCD Notice of Funding Availability (NOFA) in 2025.

On June 10, 2024, the City of Alameda awarded approximately $550,000 in Permanent Local Housing Allocation (PLHA) funding to this project. On October 28, 2024, the City of Alameda awarded this project approximately $89,000 in HOME loan funding. Together, the City of Alameda combined funding commitment is approximately $641,000. The commitment from the City is valid through June 30, 2025.

On December 13, 2021, AHA conditionally awarded forty (40) Section 8 Project-Based Vouchers (PBV) for this project. The initial Housing Assistance Payment (HAP) Contract for a total of forty (40) PBVs over twenty (20) years is expected to be approximately $10 million. On April 17, 2024, AHA approved an extension for the project to enter into an Agreement To Enter Into A Housing Assistance Payment Contract (AHAP) to December 31, 2024. On October 28, 2024, staff requested an extension of the PBV award to January 31, 2026, to allow a full TCAC/CDLAC/HCD review and potential awards necessary to start construction.

On June 28, 2024, staff submitted an Apple Affordable Housing Fund application for $3,050,000, and on August 12, 2024, staff received notification that the Estuary II project was not selected to progress to underwriting.

Estuary II continues to need its final tax credits and/or bonds. On April 23, 2024, staff submitted a joint tax-exempt bond and 4 percent tax credit application to the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC). CTCAC staff informed AHA staff that Estuary II was not being considered for bonds and tax credit allocations. Hence, staff withdrew the 4 percent coupled with the tax-exempted bonds application, and submitted the 9 percent tax credit application on July 2, 2024. However, the project did not appear to have a high enough tiebreaker to win an award for that round. Subsequently, staff withdrew the July 9% application and submitted a 4% application on August 27, 2024, with the allocation meeting scheduled for December 11, 2024.

Timing

This development will not start construction until 2025 at the earliest, as it is still waiting for its final financing commitments.

As shown in the applications submitted and the awards received to date, staff is actively pursuing all viable options. However, some of the current awards/commitments are expiring as noted above, unless extended by written agreements from the awarding agency. In addition, the State of California is facing a budget deficit in the coming 2024-25 fiscal year. The final state budget includes cuts of over $1 billion of funding related to affordable housing and homelessness programs. Previously, the Bay Area Housing Finance Authority (BAHFA) Board decided to withdraw the $20 billion general obligation bond measure for the production and preservation of affordable housing from the 2024 general election ballot in all nine Bay Area counties. The BAHFA bond measure was a potential regional approach toward solving the Bay Area's housing crisis, and the withdrawal of this bond measure, coupled with the state budget shortfall makes future affordable housing projects, including Estuary II more challenging to fund.

The Estuary II project has an estimated gap of approximately $20 million necessary to start construction and hopes to fill this gap with one remaining option for 2024. However, based on preliminary as-submitted applications, the probability of an award is low. Staff plans to apply for tax credits in 2025. In 2022, projects located in zip code 94501, which is the majority of the City of Alameda, lost the difficult to development area (DDA) and qualified census tracts (QCT) designation as determined by HUD every year. In December 2022, staff submitted several DDA preservation applications to CDLAC, including Estuary II. Projects like Estuary II with a DDA/QCT preservation status have two years from the time the DDA/QCT preservation application was submitted to secure a bond allocation and issue the bond, typically at construction loan closing. The last chance to take advantage of the DDA/QCT preservation status was the 4% tax credit and bond application submitted in April 2024, but it was unsuccessful due to the scarcity of state tax credits. The loss of DDA/QCT designation translates to a financing gap of approximately $4 million. This gap may be filled with additional state tax credit requests in the 4% and bond option discussed below, although additional reliance on the state tax credit reduces a project's tiebreaker.

The project could be funded by $20 million in tax credits and bond financing from CTCAC/CDLAC. Staff plans to apply for 9 percent tax credits or 4 percent tax credits and bond financing in 2025, and if awarded, the project will start construction in mid to late 2025 and complete construction in 2027. Alternatively, based on the published HCD NOFA calendar, HCD plans to issue a SuperNOFA in early 2025 and staff is exploring all potential awards. The Board should be aware that the chances of being funded are low relative to prior projects, due to the state funding outlook and other changes outlined above. It is very possible that development may need to wait several years.

The Estuary II project has sufficient pre-development funding for the expected soil off-haul costs to be split pro rata between the North Housing Block A projects, with Estuary II responsible for 17% of the costs (estimated to be approximately $510,000). These costs will be built into the proforma budget.

FISCAL IMPACT

The Board previously authorized a pre-development loan of $7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for the first phase of the North Housing project, which includes 155 units, including Estuary II. Please see separate monthly reports for The Estuary I and Linnet Corner projects. The total pre-development loan available for the Estuary II project is $3,750,000 of which $1,333,703 is spent. Funds are disbursed to ICD on an as-needed basis. The Board previously approved $1,500,000 in AHA funding commitment for the pro rata share of the site preparation and offsites costs for this project. Please refer to the attached chart summarizing expenses through October 31, 2024 (Attachment 1).

CEQA

Not applicable.

RECOMMENDATION

Accept the Quarterly Development Report for The Estuary II.

ATTACHMENTS

1. Att1_North Housing Block A Estuary II Expenses Chart

Respectfully submitted,

Tony Weng

Tony Weng, Senior Project Manager

Predevelopment Expenses Chart Through October 31, 2024

The Estuary II	Amount	Amount
Predevelopment loan funds (AAHTF) available for the Estuary II proje	$3,750,000	$3,750,000
Predevelopment expenses to-date includes predevelopment costs, pro rata shares of master plan, demolition, and land carrying costs)	$1,467,233	
Anticipated Soil Off Haul Costs - Estuary II's Pro Rata Share	$510,000	
Predevelopment Funds Remaining	$1,772,767	
The Estuary II	Amount	
AHA funded site preparation costs as the master developer for the pro rata share costs of ground improvement and offsite improvement for Estuary II. *Shown for informational purposes only	$1,500,000	$1,500,000
Cumulative Total AHA Funds for Estuary II		$5,250,000

Housing Authority of the City of Alameda
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Ron Babiera, Assistant Director of Housing Programs

Date: November 20, 2024

Re: Accept Quarterly Family Self Sufficiency (FSS) Report.

BACKGROUND

The Family Self Sufficiency (FSS) program is a Department of Housing and Urban Development (HUD) funded program established in 1990 by Section 554 of the National Affordable Housing Act which amended Title I of the U.S. Housing Act of 1937 by adding Section 23 for the FSS program. The FSS program is for individuals that have a Housing Choice Voucher (HCV) or Project-Based Voucher (PBV) with the Housing Authority of the City of Alameda (AHA). In June 2022, HUD expanded FSS eligibility to include participants in the Moderate Rehabilitation program. The FSS Program is designed to assist families and individuals in becoming financially stable through education and employment by providing individualized case management services and financial incentives. Participation in the FSS program is voluntary and requires a five-year personal commitment from participants.

DISCUSSION

AHA completes several events annually, both in-person (town hall meetings and on-site recruitment events) and virtually (to individuals with income changes and those receiving the Unemployment/TANF program), and conducts outreach utilizing the quarterly newsletters, to recruit participants for the FSS program. To enroll in the FSS program, participants complete an FSS application, an assessment, and an intake interview. The participant and AHA FSS Coordinator collaborate to create an Individualized Training and Services Plan (ITSP) and sign the FSS Contract of Participation. HUD mandates a minimum of twenty-six participants to fund an FSS Coordinator position.

During this reporting period, staff enrolled nine (9) new participants in the program, which increases the total number of participants to 26 as of the date of this report. In September 2024, AHA commenced the job announcement and hiring process for the FSS Coordinator position, which is anticipated to be completed before the end of calendar year 2024. In addition, staff submitted the FSS renewal funding application in the amount of $160,000, for calendar year 2025, in October 2024.

Staff will continue to meet with interested applicants and enroll them in the FSS program to maintain and sustain an acceptable and manageable number of participants. Due to the large number of submitted applications, the AHA has created a wait list, and will reach out to those applicants on the wait list as soon as a permanent FSS Coordinator is hired. Approximately 40 families are on the wait list.

Below is a chart showing the number of participants enrolled, graduation(s), and determination(s) from April 1, 2024 through September 30, 2024.

Program data	**Apr 1, 2024 to Jun 30, 2024**	**Jul 1, 2024 to Sept 30, 2024**
Enrollees at end of last period	18	18
New FSS participants this period	0	9
Graduated this period	0	0
Terminations/withdrawals/port outs	0	1
Port ins	0	0
TOTAL ENROLLED AT END OF PERIOD	18	26
Minimum enrollees required by HUD grant for One Coordinator Position	26	26
Enrollees with increased income during this period	0	0
Average escrow account balance at end of period	$5,961	$4,328.64
Percentage of enrollees with an escrow balance at end of period	63%	40%
Total escrow balance on last day of the period for all enrollees	$95,380.97	$99,558.78

Total withdrawals for this quarter	0	0

Services provided this quarter
During this quarter, the services provided to participants included personal coaching on: life skills, tenant and landlord communication, re-certifications, and income change procedures; referrals were also made to legal and mediation services, the College of Alameda Career & Employment Center, and Alameda County Social Services; and monthly check-ins were completed either one-on-one and/or in virtual group meetings held in the evenings on the third Tuesday of the month.

This quarter there were three virtual meetings held monthly on the third Tuesday evenings, from 6:00 pm – 7:30 pm. There were between 4 and 6 attendees for all the meetings.

This program is continually taking new enrollees. Participants from all voucher and moderate rehabilitation programs are eligible. For more information, contact Housing Programs at 510-747-4300. Please also see the website https://www.alamedahsg.org/housing-programs/family-self-sufficiency-program/

FISCAL IMPACT
For report only, no fiscal impact.

CEQA
Not applicable.

RECOMMENDATION
Accept Quarterly Family Self Sufficiency (FSS) report.

ATTACHMENTS
None

Respectfully submitted,

Ron P Babiera

Ron Babiera, Assistant Director of Housing Programs

Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Alicia Southern, Director of Human Resources

Date: November 20, 2024

Re: Accept the Quarterly Overview Report for the Executive/Data and Policy and HR Departments.

BACKGROUND

This memo provides a high-level overview of agency activities in the prior three-month period for the Executive Department, including Human Resources, Data and Policy, and Moving to Work (MTW).

DISCUSSION

Human Resources and Operations

A summary of unfilled positions that are on the Schedule of Authorized positions is presented below. Positions are listed by department, and information about current and recent recruitment is included. Information is current from August 2024 through October 2024.

Department	Position	Number of Vacant Positions	Recruitment Status	Other Updates
Executive	Deputy Executive Director	1 FTE	On hold. Funding to be used for Senior Programs Director for now.	
	Senior Executive Assistant	1 FTE		Filled in August
	Senior Program Director	1 FTE	Open/Filled as Acting for now.	New position

Administration	Facilities & Maintenance Tech I	1 FTE		Interviewing candidates
Finance	Program Assistant	1 FTE	Position temporarily on hold	New position
	Management Analyst	1 FTE	Position temporarily on hold	New position
Housing Programs	Management Analyst	1 FTE	Position temporarily on hold	Opened due to staff turnover
	Housing Specialist II - FSS	1 FTE	Open	Interviewing candidates
Property Operations	Assist. Dir. Perm. Supportive Housing	1 FTE		Filled in October
	Property Management Supervisor	1 FTE	Open	Interviewing candidates
Housing Development	Assistant Director Housing Development	1 FTE	Position temporarily on hold	New position
	Construction Project Manager	1 FTE	Recruiting candidates	Opened due to promotion
Asset Management	Senior Asset Manager	1 FTE	Position temporarily on hold	New position
Data and Policy	Management Analyst	1 FTE	Position temporarily on hold	New position

Human Resources	Human Resources Manager/Management Analyst	1 FTE	Position temporarily on hold	Opened due to staff turnover
	Program Assistant	1 FTE		Filled in October

Summary:
Total FTE's approved for FY 2024/25: 59
Number of vacancies: 13 FTE's
Number of active recruitments: 4

The Housing Authority of the City of Alameda (AHA) has welcomed three new staff members since the last quarterly report, including an Assistant Director of Permanent Supportive Housing, Senior Executive Assistant (internal promotion), and Program Assistant in Human Resources. Interviews are in process for several other positions, and while the candidate pool for most positions is smaller than in the past, Management anticipates filling additional positions in the upcoming months. HR has also retained temporary HR staff to support Human Resources, including an intern. Recruiting expenditures are higher than expected, but are covered by savings from vacant positions, and the investment can pay off in securing candidates sooner and providing support to internal HR staff involved in multiple recruitments.

During this period, staff attended conferences and trainings from Yardi (YASC); NPH; Liebert Cassidy Whitmore (LCW) - Harassment Prevention, Customer Service, Nuts and Bolts: Navigating Common Legal Risks for the Front Line Supervisor, Maximizing Supervisor Skills for the First Line Supervisor Parts I and II, A Supervisor's Guide to Understanding and Managing Employees, Rights: Labor, Leaves and Accommodations; and CHAM Advanced Financial Tools for Asset Managers. Online and in-house training was received on the following topics: 1Password, Bonfire, and Document scanning over the Iphone.

Other projects this quarter include viewing demonstrations for a Human Resources Information Systems (HRIS). HR is also working on a transition of employee assistance program benefits plans.

<u>Annual Plan, 5-Year Plan, and Significant Amendment</u>
Approval for the Annual Plan and MTW Supplement for Fiscal Year 2024-2025 was received on September 23, 2024. The significant amendment was submitted to HUD adding a senior preference for the AHA's wait lists. Approval was received on October 18, 2024 for this amendment.

Staff continue to work on the 5-year plan for years 2025-2030 and the Annual Plan for

Fiscal Year 2025-2026 in conjunction with the development of the Strategic Plan. The two annual plans will be reviewed by the Resident Advisory Board in November and released for public comment shortly afterward.

Veteran Affairs Supportive Housing (VASH) Vouchers
AHA and the VA continue to lease up the 36 vouchers reallocated from the Housing Authority of the County of Alameda and the Oakland Housing Authority. Referrals have been received for 29 of the 36 vouchers and 16 if the families are already leased with AHA making payments on their behalf.

Wait list Opening
Staff continue to work collaboratively with other departments to plan for the opening of several Project-Based Voucher wait lists along with the Housing Choice Voucher wait list on December 3, 2024.

FISCAL IMPACT
Report only, no financial impact.

CEQA
Not applicable to this item.

RECOMMENDATION
Accept the Quarterly Overview Report for the Executive/Data and Policy and HR Departments.

ATTACHMENTS
None

Respectfully submitted,

Alicia Southern, Director of Human Resources

Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Greg Kats, Director of Administrative Services

Date: November 20, 2024

Re: Accept the Quarterly Overview Report For The Administration and Services Department.

BACKGROUND

The Administration and Services Department manages a number of areas within the Housing Authority of the City of Alameda (AHA) including procurement, information technology, reasonable accommodations, community relations, and risk management. This report serves to provide the Board with a quarterly overview of notable developments within these areas of the agency.

DISCUSSION

Procurement

The following are some highlights of the AHA's current procurement initiatives:

Bonfire: AHA staff continue to utilize the new online procurement platform, Bonfire. The Bonfire system is being used to post solicitations, gather proposals and bids, evaluate proposals, correspond with vendors, and award contracts. Additionally, Bonfire will act as a repository for contracts and insurance documents to allow staff to collect and review all documents in one centralized location moving forward. The system also allows staff to send out notifications of expiring insurance documentation and to send messages to vendors regarding their agreements.

AHA staff will continue to promote the use of Bonfire by vendors, by including information regarding registration in publications, such as the annual vendor newsletter and periodic outreach emails. Staff will also be adding agency templates to the system to improve consistency of use in the next month.

Internal Training: AHA procurement staff have scheduled the next Procurement Overview Training for new staff to take place in November 2024. Staff will review the procurement process checklist, outlining the various steps in the process, starting with vendor selection through purchase order initiation. The procurement team has also scheduled procurement meetings for the various AHA departments to take place in late October and early November. In December 2024, staff will also be implementing an Intergovernmental Cooperation Agreement SOP for agencies requesting to piggyback on AHA contracts. Additional Bonfire system training for staff will be forthcoming.

AHA solicitations can be found here: https://alamedahsg.bonfirehub.com/portal/?tab=openOpportunities

A summary of notable past, present, and upcoming RFPs and ITBs for 2024 is provided below:

RFP/ITB DESCRIPTION	ORG	STATUS	ISSUE DATE
Janitorial Services	AHA	RFP Open	October 10, 2024
On-Call Locksmith Services	AHA	Closed August 14, 2024. No responses.	July 30, 2024
Eviction and Property Management Counsel	AHA	RFP closed; contract awarded.	July 24, 2024

The number of agreements and amendments executed from August 1, 2024 - October 31, 2024, is provided below:

Agreements Executed	Amendments Executed	Intergovernmental Cooperation Agreements
4	4	4

Reasonable Accommodations

The table below provides a summary of monthly and year-to-date statistics on Reasonable Accommodation (RA) processing as of October 30, 2024.

Month	New submissions by month	Requests still in process	Completed RAs (letter sent)	Submissions YTD	Completed RAs YTD
January	**20**	**0**	**20**	**20**	**20**
February	**23**	**0**	**23**	**43**	**43**
March	**18**	**0**	**18**	**61**	**61**
April	**21**	**0**	**21**	**82**	**82**

May	**32**	**0**	**32**	**114**	**114**
June	**15**	**0**	**15**	**129**	**129**
July	**21**	**0**	**21**	**150**	**150**
August	**16**	**0**	**16**	**166**	**166**
September	**25**	**0**	**25**	**191**	**191**

The subsequent table displays the percentage of approved, denied, and closed RA requests that have been finalized by month. For example, during July 2024, there were twenty-one RA requests that were finalized. Of those twenty-one requests, eight requests were approved, resulting in a 38% approval rate.

Month	Approved	Denied	Closed
January	15%	70%	15%
February	13%	74%	13%
March	39%	50%	11%
April	14%	76%	10%
May	19%	62%	19%
June	36%	28%	36%
July	38%	29%	33%
August	25%	62%	13%
September	32%	60%	8%

The following table provides a year-to-date total of the type of accommodation requests received. The "other" category includes requests such as extensions of time for completing a recertification, reinstating a voucher, and/or providing approval for an assistance animal.

Categories	YTD
Extra Bedroom	45
Live-In Aides	55
Parking	1
Unit Modifications/requests	3
Voucher extension	19

Other - Misc.	68

Staff continue to accept RA requests via e-mail, fax, in person, by phone, and through the electronic form available on the AHA website; and to complete quality control reviews on reasonable accommodation processes and outcomes.

Community Relations

Below is a summary of AHA's community relations activities during the third quarter of 2024:

- In partnership with the Alameda Food Bank and LifeSTEPS, residents at AHA's largest senior communities (Independence Plaza and Anne B. Diament) have been receiving free food deliveries on an alternating bi-weekly basis.
- The Alameda Food Bank also provides free snacks, fruit, and water for AHA youth recreational programs hosted at Esperanza Apartments (AHA's largest family property).
- The City of Alameda Recreation and Parks Department (ARPD) has been providing free, bi-weekly after-school recreational programming (on Wednesdays) for AHA youth via ARPD's mobile recreational unit.
- Drawbridge (www.drawbridge.org) has been providing bi-weekly art activities (on Wednesdays) at Esperanza Apartments. The goal of the Drawbridge and ARPD programs is to provide a safe space for AHA youth at Esperanza Apartments on a weekly basis.
- The City of Alameda Recreation and Parks department (ARPD) continues its senior-focused recreational programming offerings at AHA’s largest senior property (Independence Plaza).
- In August, the Oakland Roots provided twenty free tickets for the August 24th game. Those free tickets were distributed to AHA housing program participants and AHA tenants.
- On September 7th, the Oakland Athletics provided seventy free game tickets that were distributed to AHA housing program participants and tenants.
- In August, AHA staff coordinated customer service training for all AHA front-line staff that interface with AHA program participants, landlords, tenants, and other AHA stakeholders.
- In August, AHA staff re-launched the AC Transit “EasyPass” program that provides up to 189 free AC Transit EasyPasses to residents at Anne B. Diament, Everett Commons, Rosefield Village, Senior Condos, and Lincoln Willow. Multi-lingual outreach was conducted at the aforementioned properties and LifeSTEPS staff is actively enrolling eligible tenants.

Communications Summary

AHA's efforts to increase community awareness of agency activities, during this reporting period, included the following:

1) **Press Releases:** During Q3, no press releases were published.

2) **AHA newsletters:** During Q3, AHA Housing Choice Voucher program participants and AHA tenants were mailed and emailed the Quarterly Tenant Newsletter. Landlords were mailed and emailed the quarterly newsletter.

3) **Public Outreach:** During Q3, AHA's Community Relations Manager conducted the monthly Landlord Portal Meeting for AHA landlords, the monthly meeting for AHA's internal Environmental Committee, the quarterly meeting for legal advocates, the monthly meeting with LifeSTEPS and FPI Management, and the quarterly meeting with the City of Alameda's Mayor, to provide updates on AHA's various initiatives.

Website Management

During Q3, both agency websites (www.alamedahsg.org and www.islandcitydevelopment.org) continued to undergo content updates, to reflect accurate and timely information. Also, both websites are reviewed monthly for ADA accessibility (WCAG 2.1 level AA) and any required content updates. Staff also added daily scans for any broken links listed on www.alamedahsg.org. New AHA staff, who are authorized to perform website editing, underwent internal training on the WordPress "back-end" platform to learn how to update the system. Both websites continue to feature full ADA compliant features, intuitive navigation, accurate content, and are optimized for mobile devices.

Online Data Metrics

The information below tracks AHA's growing digital presence by capturing website analytics, social media metrics, and email activity in Q3 2024:

Website Data (for www.alamedahsg.org):
Total unique visitors: 24,731
Total page views by unique visitors: 82,169
Average engagement per active unique visitor: 1 minute 09 seconds

Facebook Data:
Total Followers: 832 (6 new followers during Q3)
Post Reach (Number of people that saw any content on AHA Facebook page**):** 942

LinkedIn Data:
Total Followers: 1,217 (148 news followers added during Q3)
Unique Visitors: 192
Impressions Delivered (Total AHA Linked profile page views by unique visitors): 7,971

Ombudsperson Data

Since May 2021, AHA's Ombudsperson program has served as a solution-oriented community resource available to all AHA tenants, AHA program participants, AHA landlords, and other community-based organizations. The Ombudsperson is a community liaison and provides an array of duties, including:

- Resolving AHA tenant or Section 8 complaints.
- Identifying AHA staff members to answer specific questions. Developing and expanding community partnerships.
- Serving as a neutral AHA representative to help our clients find solutions.
- Ensuring that tenant and/or landlord concerns are fully addressed.

Total Q3 2024 Ombudsperson Contacts: 23
Contacts from the general public (Non-AHA landlord/tenant matter): 6
Contacts related to AHA tenant (Potential lease violation): 2
Contacts related to AHA tenant (Neighbor dispute): 3
Contacts related to AHA tenant (Property management dispute): 1
Contacts related to AHA tenant (Reasonable accommodation): 2
Contacts related to AHA tenant (Rental payment, ledger review): 3
Contacts related to AHA tenant (Lease up): 1
Contacts related to AHA tenant (complaint related FPI staff): 2
Contacts related to AHA tenant (complaint related AHA staff): 0
Contacts related to landlord (Portal, HAP, etc.): 3

IT Project Updates

IT QC: The Assistant Director of Administrative Services has initiated a new, quarterly quality assurance review of the IT support ticketing process.

LaserFiche: Staff from various departments continue to utilize Laserfiche forms to digitalize our existing forms to increase efficiencies, such as the HCV Rent Increase Request Form for landlord and the HQS Extension Form, both of which which were created by the Data and Policy Department .

Yardi: Staff from IT and Data and Policy has been coordinating with Yardi to ensure our software is up-to-date for the new procedural changes related to the updated MTW and HOTMA regulations.

IT support Tickets

IT Support Tickets	July	August	September	**Quarter 3**
Access Rights	92	84	64	240
Hardware	34	14	23	71
Software	76	72	43	191

On Boarding/Off Boarding	5	1	6	12
On-Site Visits	9	6	7	22
Cyber security	12	9	6	27
Total	228	186	149	563

Brief analysis of Q3:
Access rights remain a frequent subject of IT tickets, as AHA has tight security measures.

<u>Risk Management Summary</u>

AHA Claim Management: In this quarter, the AHA risk management team received: 27 Incident Reports

Incident Type by Quarter	**Q3**
Other (tenant related)	7
Property	16
Public Safety	4
Grand Total	**27**

Two property incidents were converted into insurance claims.

The total expenditure amount associated with the reported incidents during this quarter, is currently estimated at approximately $47,981.39, with an expected recovery rate of roughly 47% from claim reimbursements (subtracting deductibles and non-reimbursable expenses).

Approximate expenditures by type:

- Hotel fees (not covered): $7,081.96
- Plumbing repairs (not covered): $3,550
- Remediation and repairs (covered): $37,549.43

During this quarter, the AHA Risk Management Analyst (RMA) conducted the following activities:

Legal Claims:

- RMA has actively maintained all legal cases in MyCase.

- RMA maintained communication with AHA legal counsel and insurance company staff regarding pending, potential, and active legal cases.

AHA Risk Prevention Program:

- AHA staff, including RMA, completed bi-weekly property visits at all residential sites. Staff offered recommendations for improvements regarding security, health and safety, ADA compliance, inspection and permit compliance, hazard correction, and overall quality of properties.
- RMA designed custom inspection templates in HappyCo inspection software to expand usage to meet the needs of multiple departments.
- RMA performed daily and monthly inspections of AHA's main office (701 Atlantic Ave.), and monthly inspections of the maintenance garage at AHA's main office, and AHA's office at South Shore Center.
- Electrical room door upgraded for enhanced security.
- Panic buttons upgraded and distributed to strategic locations throughout the office.
- Emergency contact information cards updated and distributed to staff.

Training (provided in coordination with other departments):

- Heat Illness Prevention Policy and procedures implemented, and training provided to supervisors.
- RMA began Risk Management Practitioner courses.
- Sexual Harassment Prevention training attended by all AHA staff.
- Brown Act training attended by all exempt staff.

Emergency Management:

- Fire drill at 701 Atlantic was coordinated by RMA and HR Director. HR recorded a full evacuation time of less than four minutes.
- Quarterly Safety Committee met and discussed various safety items, such as earthquake safety precautions and upgrades to office cabinets to enhance safety.

FISCAL IMPACT

The fiscal details involved in individual solicitations can be found here: https://www.alamedahsg.org/contracting-with-aha/

Non-procurement costs are covered under the approved AHA budget.

CEQA

Not applicable.

RECOMMENDATION
Accept the Quarterly Overview Report for the Administration and Services Department.

ATTACHMENTS
None

Respectfully submitted,
Gregory Kats

Greg Kats, Director of Administrative Services

Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Shanon Lampkins, Director of Asset Management

Date: November 20, 2024

Re: Accept the Quarterly Overview Report for the Asset Management Department.

BACKGROUND

This memo provides a high-level overview of the Asset Management Department's activities for the prior quarter, July through September 2024.

DISCUSSION

Portfolio Oversight Update

Work performed by the Asset Management Department, over the last three months, has included completing property profile summary reports, updating the Real Estate Owned (REO) schedule, conducting site inspections, submitting project reports to lenders and investors, reviewing monthly property financial statements, and completing 2024-2025 fiscal year operating budgets. The next quarter will focus on the 2025 calendar year property operating budgets for those properties on a calendar fiscal year, year-end replacement reserve withdrawal requests, and annual asset management site visits.

Asset Management related tasks that were previously completed by various teams, including Finance, Housing Development, Property Operations and Administration and Services, continue to be reassigned back to Asset Management.

Training

Staff continued to participate in Consortium of Housing and Asset Management (CHAM) certification training and Low Income Housing Tax Credit (LIHTC) compliance training.

FISCAL IMPACT

None

CEQA

Not Applicable.

RECOMMENDATION
Accept the Quarterly Overview Report for the Asset Management Department.

ATTACHMENTS
None

Respectfully submitted,

Shanon Lampkins, Director of Asset Management

Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Trevor Jones, Asset Manager
Date:	November 20, 2024
Re:	Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through September 30, 2024.

BACKGROUND

The portfolio includes eight Low Income Housing Tax Credit (LIHTC) Partnership properties: Breakers at Bayport, Shinsei Gardens, Park Alameda, Jack Capon Villa, Littlejohn Commons, Stargell Commons, Rosefield Village, and Everett Commons. The projects were placed in service between 2006 and 2022 with a cumulative unit count of 347 units (85.6% family, 8.9% senior, and 5.5% for persons with disabilities), of which, 41% of the units are supported by a combination of various rental subsidy programs (Project-Based Voucher and Veterans Affairs Supportive Housing Project-Based Voucher).

The Housing Authority of the City of Alameda (AHA) owns all the land except for Park Alameda; thus, most partnerships include a AHA land lease, and AHA's role varies from Co-General Partner (Co-GP), General Partner (GP), to Special Limited Partner (SLP). Island City Development (ICD) is the developer for Rosefield Village, Littlejohn Commons, and Everett Commons and co-developer for Stargell Commons.

DISCUSSION

This memo provides an overview of the Low-Income Housing Tax Credit (LIHTC) partnership properties' Year-to-Date financial report through September 30, 2024. These properties run on a fiscal year ending December 31st. This report tracks performance per the budget and includes achievements, items of note, and upcoming events or changes. Please note the figures used in this report may change and not match the audit.
Statements that apply to all properties:

- Operating Revenue- Includes tenant rent, rental subsidy, vacancy loss, laundry income, and interest on accounts. This is accounted for on a cash basis.
- Tenant Receivables- Property Management and Resident Services assist residents with applying for assistance and repayment agreements.

- Operating Expense- Includes marketing, administrative, property management fees, salaries and benefits, utilities, operating and maintenance, taxes and insurance, and resident services. This is accounted for on an accrual basis.
- Net Operating Income (NOI) Operating Revenue minus Operating Expense
- Debt Service Coverage Ratio will be denoted by DSCR. DSCR is calculated by dividing (NOI-Operating Expenses-Replacement Reserves) by Debt Service.
- Total Surplus Cash Flow will be distributed per the waterfall in accordance with the LPA, lender, and regulatory agreements.
- Conservice is a utility management provider that will be employing at select properties in Q2 2024.

Breakers at Bayport- 459 Neptune Gardens Avenue

Breakers at Bayport is a 52-unit Low Income Housing Tax Credit (LIHTC) development for families. Resources for Community Development (RCD) is the General Partner (GP) and The Breakers at Bayport L.P. is the Limited Partner (LP). The Housing Authority of the City of Alameda (AHA) owns the land. The Housing Authority of the City of Alameda (AHA) provided an original loan of $2,015,000 and has a current balance of $1,408,790, that bears no interest and matures in January 2059. John Stewart Company (JSCo) provides property management services. Operation Dignity provides resident services. The project was placed in service on March 29, 2006.

Unit matrix: 2Bed- 34 units, 3Bed- 18 units (1 Manager Unit)
Section 8 PBV: 15 units
Income and rent limits: 50%-60% AMI

- Operating Revenue is $872,940, which is 2% ($15,387) lower than budget. - Occupancy is 99.1% (averaged less than 1 vacant unit over the first three quarters). As of June 30th the property was 100% occupied.
- Tenant Revenue is $451,671 and Subsidy Revenue is $424,231.
- Tenant Accounts Receivable are $45,818. No tenants are currently facing termination for nonpayment. This includes residents with balances over 6 months delinquent.
- Operating Expenses are $504,035, which is 10% ($45,806) higher than budget due to collection loss being coded as an expense.
- Net Operating Income is $368,905, which is 14% ($61,193) lower than budget primarily as a result of collection loss being coded in Administrative Expenses.
- Replacement Reserve deposit requirement is $15,500 annually.
- Mandatory hard debt service is $139,152 annually.
- Total Net Cash Flow is $252,916, which is $61,193 lower than budget.
- DSCR is 3.42x.
- Asset Management Fee of $3,460 is paid annually to AHA.

Shinsei Gardens- 401 Willie Stargell Avenue

Shinsei Gardens is a 39-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, and ICD is in the LP. AHA owns the land, and has a continuing operating agreement with RCD to manage the property along with AHA. AHA closed on the investor Limited Partner buyout in March 2024 and has an option to buyout the GP within the next ten years. JSCo provides property management services. Operation Dignity provides resident services. There is a loan of $2,129,336 from AHA/CIC that bears no interest and matures on March 23, 2063. The project was placed in service on September 3, 2009.

Unit matrix: 1Bed- 6 units, 2Bed- 18 units, 3Bed- 12 units (1 Manager Unit), 4Bed- 3 units
Section 8 PBV: 21 units
Income and rent limits: 20%-60% AMI

- Operating Revenue is $653,083, which is 6% ($42,113) lower than budget due to Occupancy being lower than budget.
- Occupancy averaged 95% (2> vacant units).
- Tenant Revenue is $278,138 and Subsidy Revenue is $402,445.
- Tenant Accounts receivable are $2,996. No tenants are currently facing termination for non-payment.
- Operating Expenses are $344,448, which is 12% ($47,682) lower than budget due to low turnover and payroll being allocated correctly.
- Net Operating Income is $308,635, which is 2% ($5,569) higher than budget due to lower than budgeted occupancy.
- Replacement Reserve deposit requirement is $23,400 annually.
- No mandatory hard debt service.
- Total Net Cash Flow is $291,085, which is $5,569 higher than budget.
- DSCR is N/A due to no hard loans.

Park Alameda- 2428 Central Avenue

Park Alameda is a 62-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the managing Co-GP, AHA is the Co-GP, and Union Bank (UB) is the LP. AHA holds an Option to exercise the Right of First Refusal (ROFR) in which can be executed on or after January 2025. AHA will be starting shortly on this and expects to make a similar arrangement as was done at Shinsei. RCD, the GP, owns both the land and the property. There is a loan of $8,600,000 from AHA/CIC that bears no interest and matures September 2068. JSCo provides property management services. Operation Dignity provides resident services. The project was placed in service on December 27, 2012.

Unit matrix: 0Bed- 61 units, 2Bed- 1 unit (manager unit)
Section 8 PBV: 15 units

Income and rent limits: 50%-120% AMI

- Operating Revenue is $555,724, which is 2% ($13,750) lower than budget as a result of loss to lease being higher than budget.
- Occupancy averaged 94% (4 Vacant Units) during the first three quarters.
- Tenant Revenue $336,899 and Subsidy Revenue are $253,747.
- Tenant Accounts Receivable are $127,867. No tenants are currently facing termination for nonpayment.
- Operating Expenses are $490,782, which is 12% ($51,876) higher than budget. The primary reasons for expenses being over budget are legal expenses and unplanned plumbing issues. We are currently investigating a potential water leak at the property that has caused utilities to nearly double our budget.
- Net Operating Income is $64,942, which is 50% ($65,626) lower than budget. However, we budgeted aggressively to get this project back on track and this Quarter does reflect significant improvements over 2023.
- Replacement Reserve deposit requirement $31,932 annually.
- No Mandatory Hard Debt Service.
- Total Net Cash Flow is $40,995.
- DSCR is N/A due to no hard loans.

Stargell Commons- 2700 Bette Street

Stargell Commons is a 32-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Wells Fargo Bank (WFB) is the LP, and ICD is the SLP. AHA owns the land and also provided a loan of $2,000,000 at 3% interest payable through excess/distributable cash with a maturity date of December 2072. As of December 2023, no principal payments have been made and $238,298 of interest has accrued. AHA holds an Option to exercise the Right of First Refusal (ROFR), which can be exercised on or after December 31, 2031. JSCo provides property management services. Operation Dignity provides resident services. The project was built in May 2017.

Unit matrix: 1Bed- 5 units, 2Bed- 17 units (1 Manager Unit), 3Bed- 10 units
Section 8 PBV: 7 units
Income and rent limits: 30%-60% AMI

- Operating Revenue is $381,052, which is 9% ($39,324) lower than budget as a result of higher vacancy.
- Occupancy averaged 91.6% (Less than 3 vacant units) over the first three quarters. A number of residents chose to move-out instead of agreeing to a payment plan.
- Tenant Revenue is $287,256 and Subsidy Revenue is $125,049.
- Tenant Accounts Receivable are $36,478. No tenants are currently facing termination for nonpayment.
- Operating Expenses are $294,090, which is 7% (18,325) higher than budget due

higher than budgeted fire protection expenses and HVAC maintenance.

- Net Operating Income is $86,962 which is 40% ($57,649) lower than budget due to unanticipated expenses and lower than budgeted occupancy.
- Replacement Reserve deposit requirement is $19,200 annually.
- Mandatory hard debt service is $69,156 annually.
- Total Net Cash Flow is $20,695.
- DSCR is 1.4.

Jack Capon Villa- 2216 Lincoln Avenue

Jack Capon Villa is a 19-unit Low Income Housing Tax Credit (LIHTC) development for persons with developmental disabilities. Satellite Affordable Housing Associates (SAHA) is the managing Co-GP, AHA is the Co-GP, and Bank of America (BofA) is the LP. AHA owns the land and also holds an Option to exercise the Right of First Refusal (ROFR), which can be executed on or after December 31, 2028. AHA has 3 current loans secured by the property. The first loan was for $225,000 with an interest rate of 5% and current balance of $52,238 with a maturity of November 1, 2024. The second AHA/CIC loan was for $1,400,000 with an interest rate of 3% and December 2023 balance of $1,400,000 excluding accrued interest of $331,285. The third AHA loan was for $200,000 with an interest rate of 3% and deferred payments until 2070. SAHA Property Management provides property management services. Housing Consortium of East Bay (HCEB) provides resident services. The project was placed in service on January 9, 2014.

Unit matrix: 1Bed- 16 units, 2Bed- 3 units (1 Manager Unit)
Section 8 PBV: 18 units
Income and rent limits: 50% AMI

- Operating Revenue is $403,466 which is 14% ($50,883) higher than budget due to the property being 100% occupied over the first three quarters.
- Occupancy averaged 100% (0 vacant units) over the first three quarters. Vacancy appears positive due to a reclass.
- Tenant Revenue is $79,458 and Subsidy Revenue is $306,012.
- Tenant Accounts Receivable are $1,629.
- Operating Expenses are $273,259, which is 10% ($28,749) lower than budget due to conservative budgeting.
- Total Net Operating Income is $130,207, which is 387% ($79,632) higher than budget.
- Replacement Reserve deposit requirement is $11,400 annually.
- Mandatory hard debt service is $28,632 annually.
- DSCR is 5.67.
- Total Net Cash Flow is $100,183.
- The property ended 2023 fully occupied and maintained 100% occupancy over the first three quarters. This allowed the property to save on expenses that

would normally accompany turning units.

Littlejohn Commons- 1301 Buena Vista Avenue

Littlejohn Commons is a 31-unit Low Income Housing Tax Credit (LIHTC) development for seniors. ICD is the GP and NEF is the LP. ICD also holds an Option/ Right of First Refusal which can be executed on or after August 1, 2030. The Partnership entered a ground lease with the landowner, AHA, which expires December 31, 2115. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on July 31, 2018.

Unit matrix: 1Bed- 30 units, 2Bed- 1 unit (manager's unit)
Section 8 PBV: 25 units
Income and rent limits: 30%-50% AMI

- Operating Revenue is $486,364, which is 2% ($9,711) lower than budget as a result of writing off $53,952 in the Third Quarter.
- Occupancy is 91% (2.8 vacant units) and there was only 1 vacant unit at the end of the Third Quarter.
- Tenant Revenue is $146,451 and Subsidy Revenue is $425,866.
- Tenant Accounts receivable are $3,322. Nonpayment is being actively addressed.
- Operating Expenses are $262,533, which is 5% (14,690), lower than budget due to lower payroll as we hired two new office staff. Additionally, some large budgeted items, such as Auditing Expenses, were budgeted in Q2, but have not been paid for yet.
- Net Operating Income is $223,831, which is 2% ($4,979) higher than budget due to high occupancy and lower than budgeted expenses.
- Replacement Reserve deposit requirement is $15,500 annually.
- Mandatory hard debt service is $236,508 annually.
- Total Net Cash Flow is $34,825.
- DSCR is 1.2 and will be monitored closely.

Everett Commons- 2437 Eagle Avenue

Everett Commons is a 20-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD is the GP and Enterprise is the LP. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the landowner, AHA, which expires June 1, 2116. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on December 17, 2018.

Unit matrix: 1Bed- 4 units, 2Bed- 11 units (1 Manager Unit), 3Bed- 5 units

Section 8 PBV: 12 units
VASH PBV: 5 units
Income and rent limits: 30%-60% AMI

- Operating Revenue is $446,684, which is 4% ($16,672) higher than budget. This is primarily due to budgeting for $23,813 of bad debt, but only writing off $404 over the first Three Quarters. More write offs are expected in the next quarter.
- Occupancy averaged 96.3% (Less than 1 vacant unit) over the first Three Quarters.
- Tenant Revenue is $93,249 and Subsidy Revenue is $351,423.
- Tenant Accounts Receivables are $30,037 with $29,833 occurring during the moratorium. Nonpayment is being actively addressed.
- Operating Expenses are $219,892, which is 2% (5,000) lower than budget.
- Net Operating Income is $226,792, which is 11% ($21,672) higher than budget due to the timing of expenses and bad debt write-offs. .
- Replacement Reserve deposit requirement is $13,508 annually.
- Mandatory hard debt service is $215,916.
- Total Net Cash Flow is $54,725.
- DSCR is 1.34. AHA will continue to monitor this property closely due to the low DSCR.

Rosefield Village – 727 Buena Vista Avenue

Rosefield Village is a 92-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the landowner, AHA, which expires December 31, 2115. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service in 2022. Please note 2024 is the first full year of operating so some numbers are skewed by the 2023 conversion to permanent financing.

Unit matrix: Studio- 8 units, 1Bed- 35 units, 2Bed- 26 units (1 Manager Unit), 3Bed- 23 units
Section 8 PBV: 23 units
Income and rent limits: 20%-80% AMI

- Operating Revenue is $1,401,452, which is 1% ($8,671) lower than budget.
- Occupancy averaged 92.2% (7 vacant units) over the first three quarters. Rosefield was affected significantly by non-payment during the moratorium. While property management could not serve notices during the COVID Moratorium, residents let their delinquency build-up and many opted to move-out with large outstanding balances instead of going through the court process or working with LifeSTEPS. Staff have payment plans with those who are willing to work with LifeSTEPS and AHA. FPI and AHA are working hard to lease those

units that vacated. Staff are holding weekly meetings with FPI. Leasing is ongoing and is expected to improve in 2024. As of September 30th, 2024, there were 2 unrented vacant units and 2 rented vacant units.

- Tenant Revenue is $832,758 and Subsidy Revenue is $582,576.
- Tenant Accounts receivable are $253,544. Nonpayment is being actively addressed.
- Operating Expenses are $785,126, which is 11% (75,108) higher than budget due to a number of invoices incurred in 2023 being paid in the first Two Quarters. The property has been covered by a regional manager as well as temporary labor that contributed to overages in Payroll. Additionally, the property utilized third party cleaners and temporary maintenance to help turn 10 units so they would be ready for move-ins. A new Community Manager is starting in July and the site will be fully staffed.
- Net Operating Income is $616,326, which is 12% ($83,779) lower than budget due to higher than budgeted expenses and an enhanced focus on leasing units back up.
- Replacement Reserve deposit requirement is $55,200 annually.
- Mandatory hard debt service is $724,692 annually.
- Total Net Cash Flow is $31,407.
- DSCR is 1.06. AHA will continue to monitor this property closely due to the low DSCR.

Overall, the portfolio is performing strongly and AHA has established watch lists with FPI and JSCO to address issues stemming from issues with tenant balances from the moratoriums put in place during the pandemic. As these moratoriums are peeled back, AHA is working creatively with LifeSTEPS, legal, and FPI to create payment plans and keep our units occupied and in good standing. All the assets are able to fulfill mandatory hard debt service and deposit reserves with a debt service coverage ratio averaging at 2.35, ranging from 1.06 to 5.67. Also, most assets produce surplus cash/ residual receipts for distribution. Reserve balances are attached.

FISCAL IMPACT

None

CEQA

N/A

RECOMMENDATION

Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through September 30, 2024.

ATTACHMENTS

1. AHA LIHTC Q3 2024
2. Q3_ LIHTC_Quarterly Financials

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager

LIHTC Q3 2024 REPORT

Income is on an Accrual Basis
Expenses are on an Accrual Basis
Income Variance is calculated Actual-Budget
Expense Variance is calculated Actual-Budget
PUPY refers to Per Unit Per Year to Date

TREVOR JONES
ASSET MANAGER

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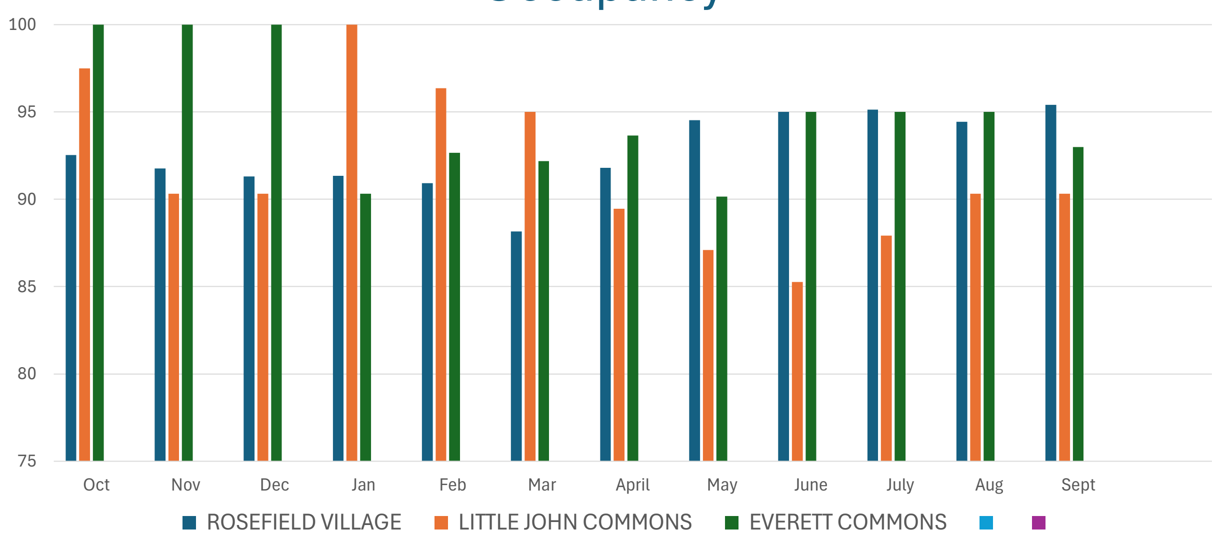
1

Occupancy



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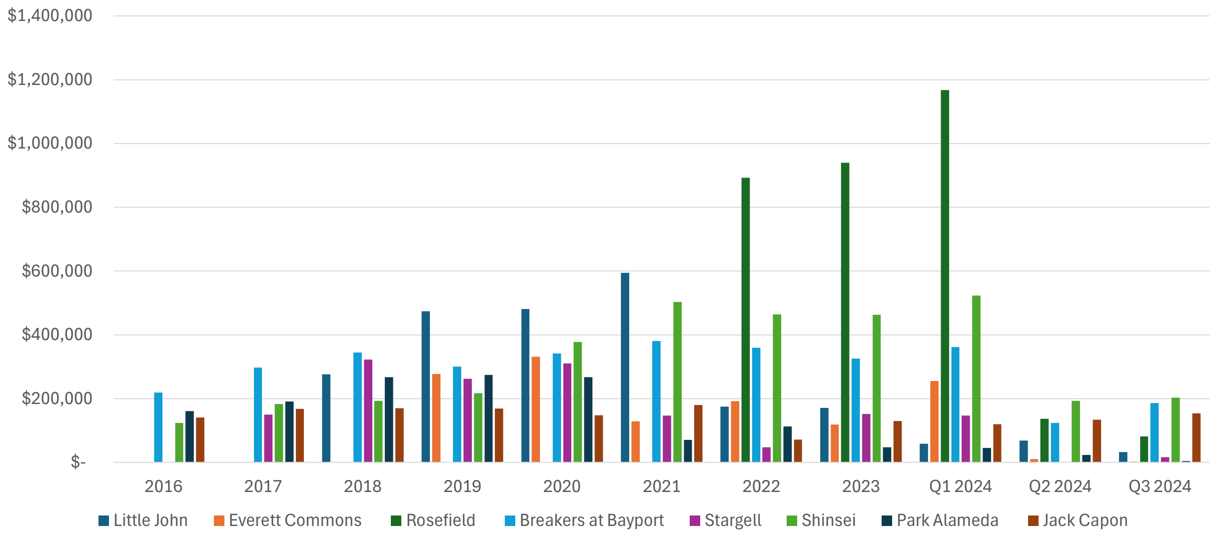
2

Operating Cash



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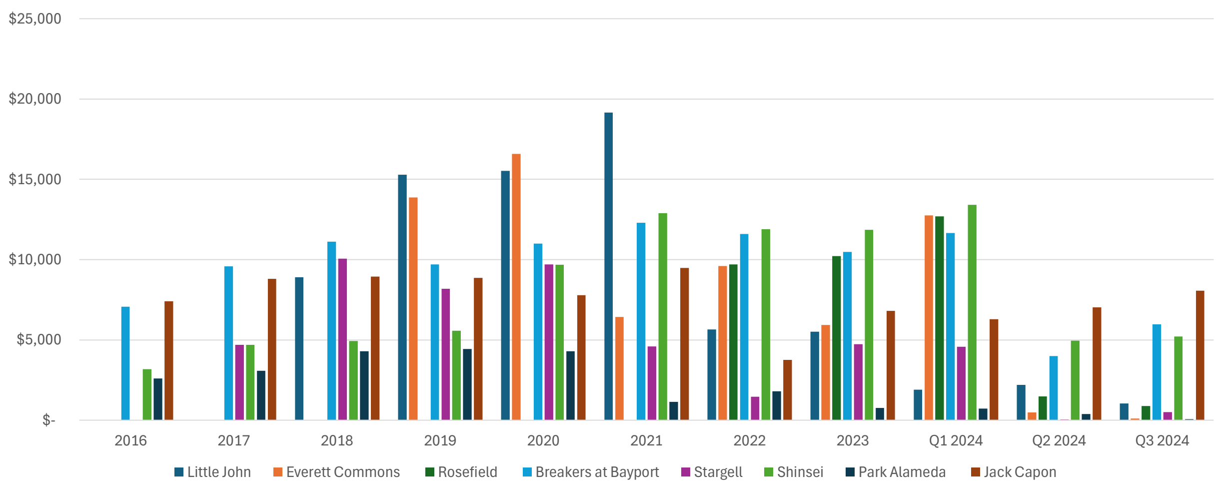
Operating Cash (per unit)



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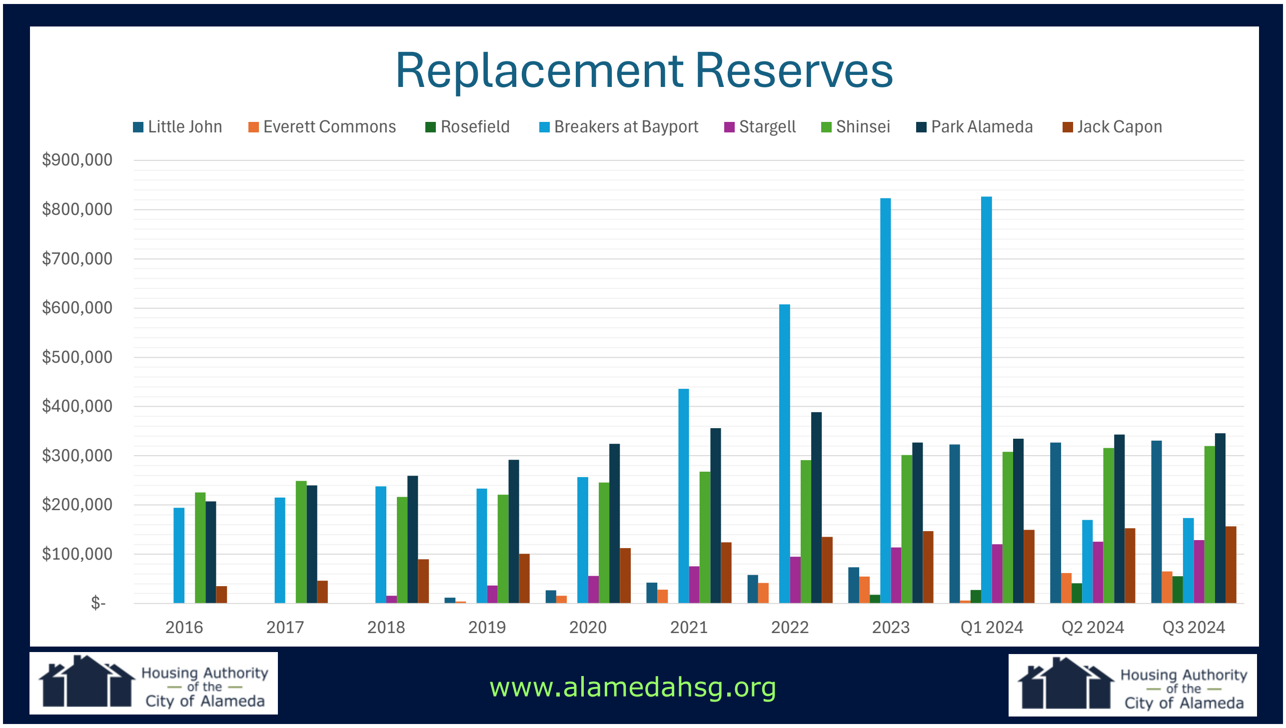
4


Replacement Reserves
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
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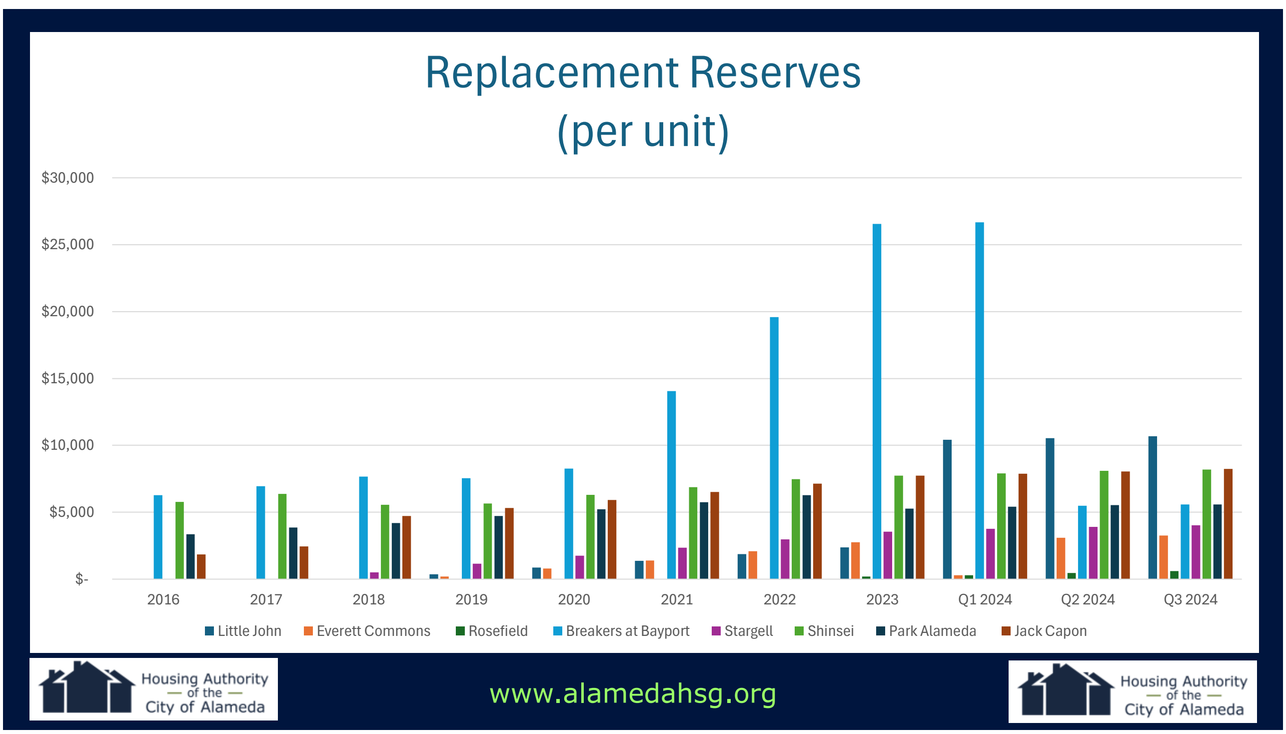
Replacement Reserves
(per unit)
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
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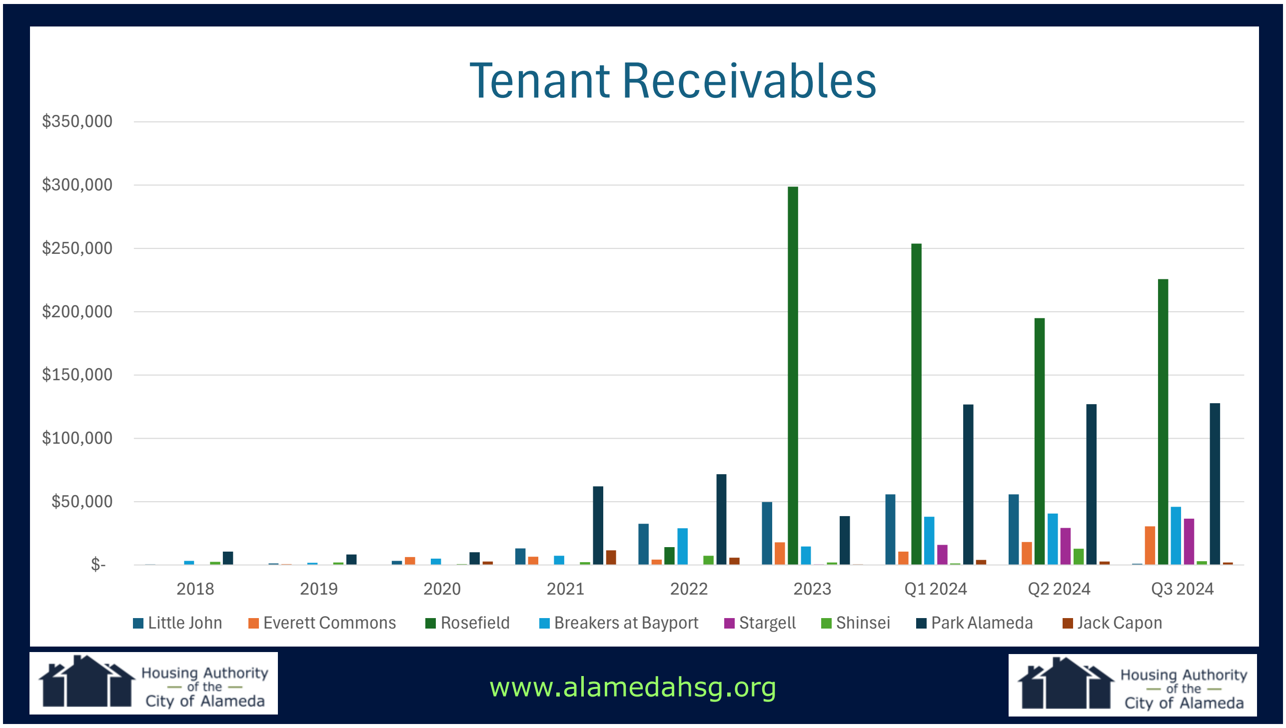
6


Tenant Receivables
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$-
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
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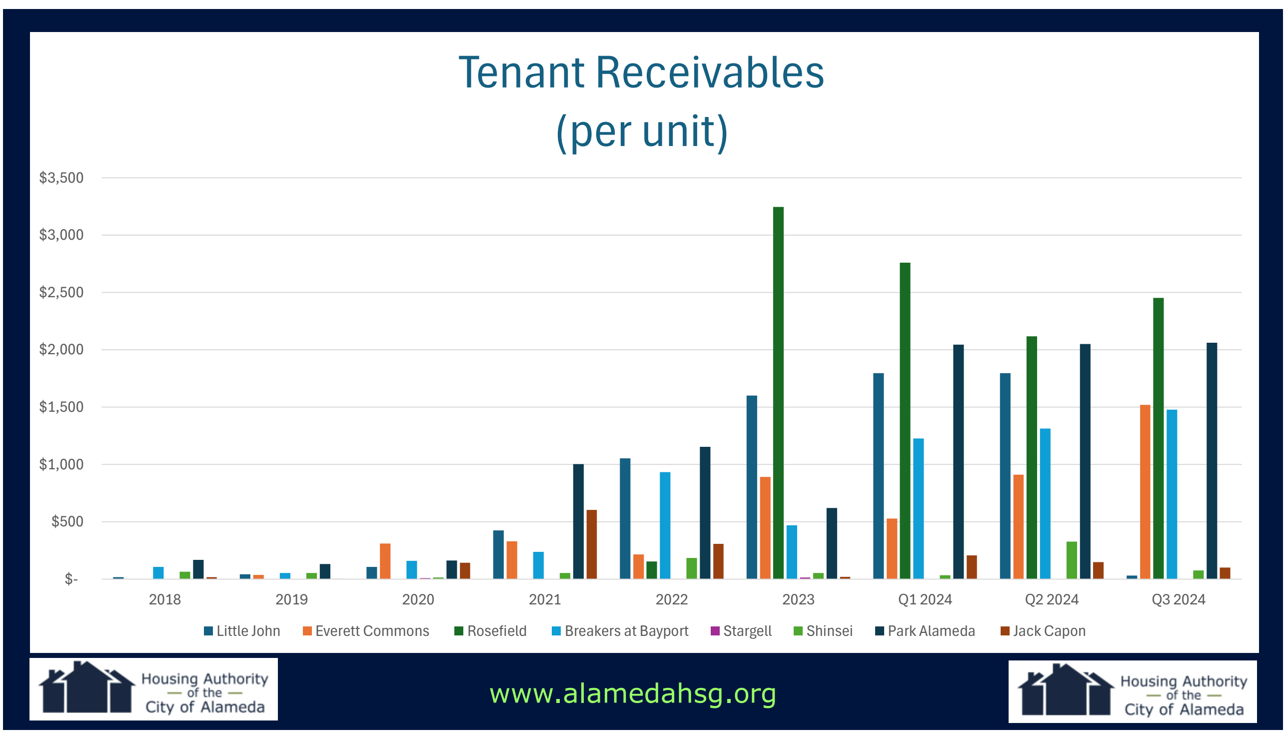
7


Tenant Receivables
(per unit)
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$-
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
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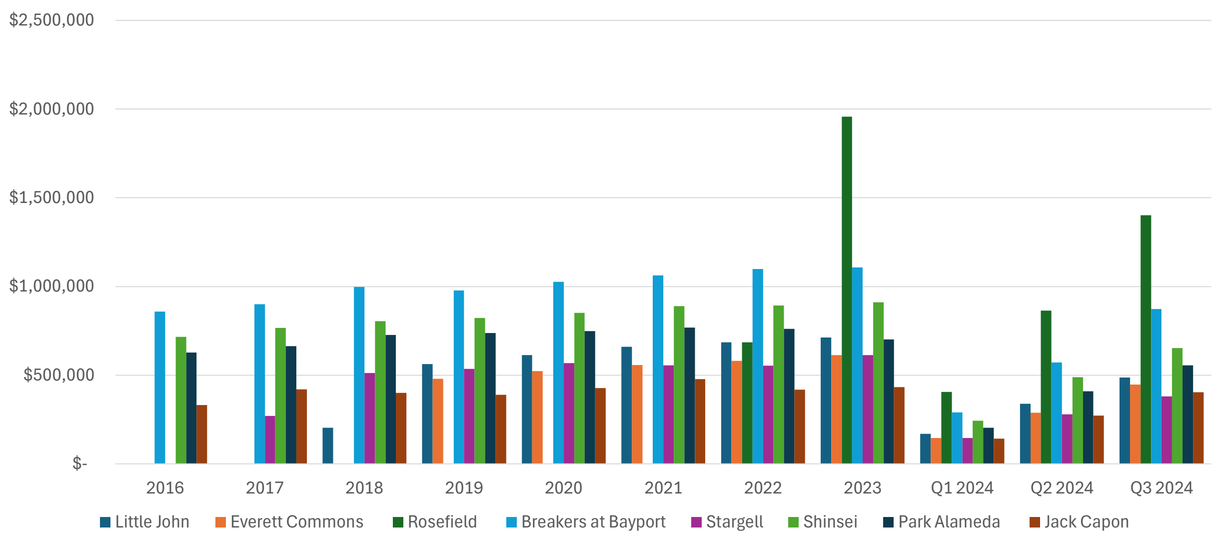
Total Revenue



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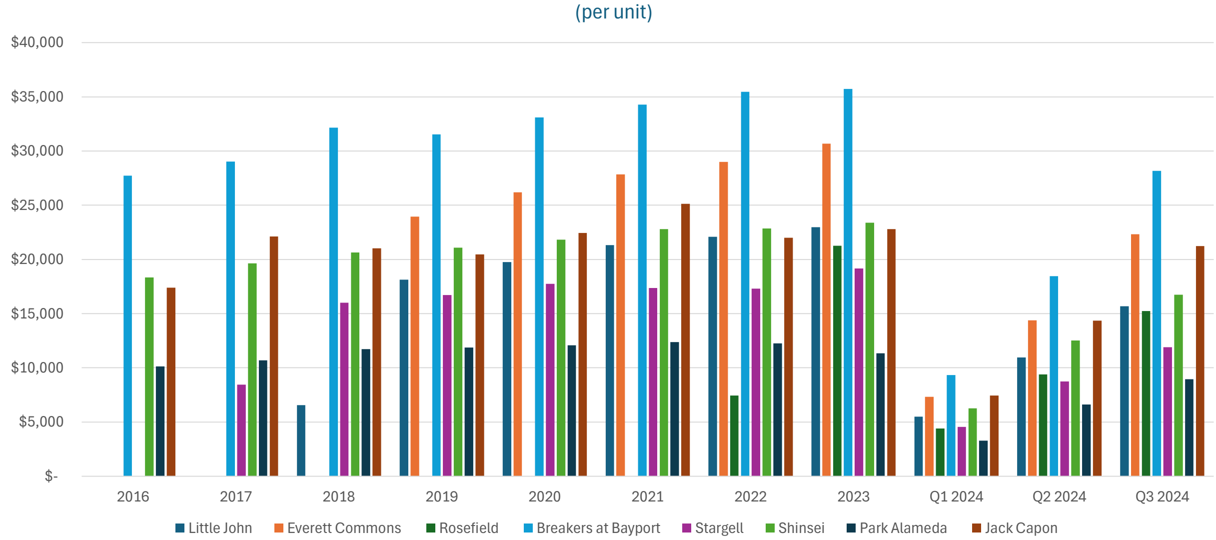
9

Total Revenue

(per unit)



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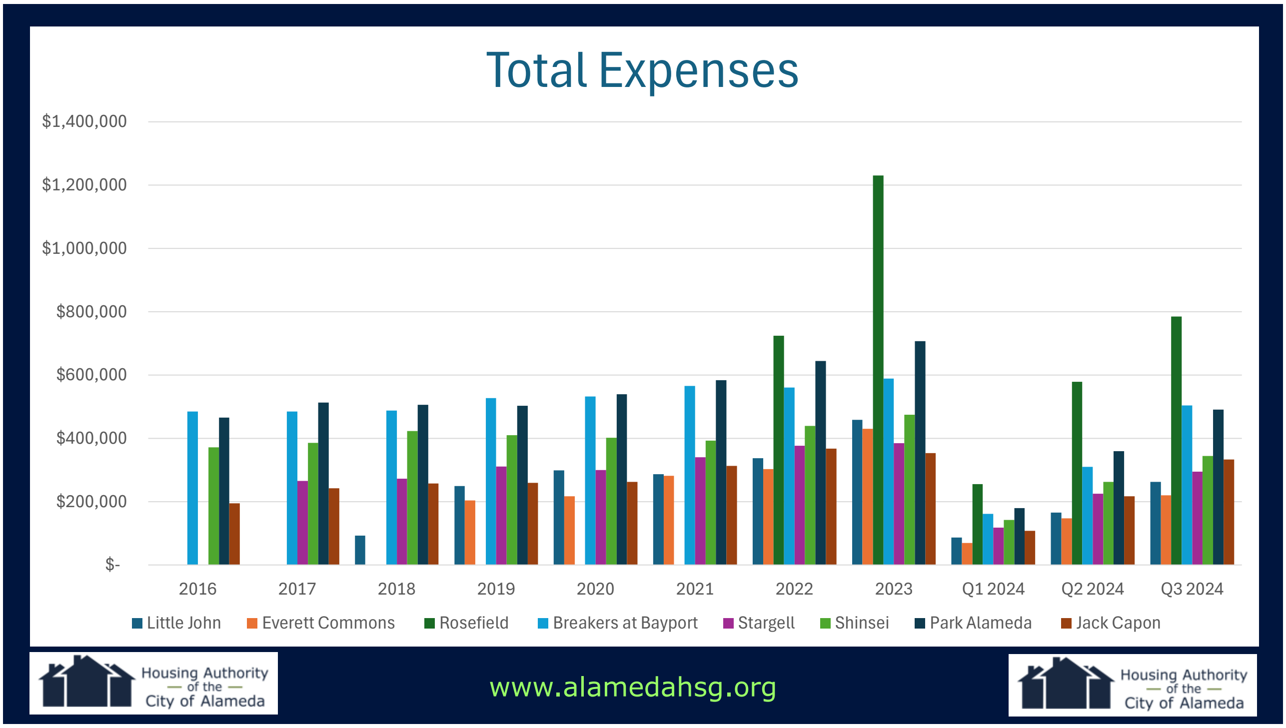
Total Expenses
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
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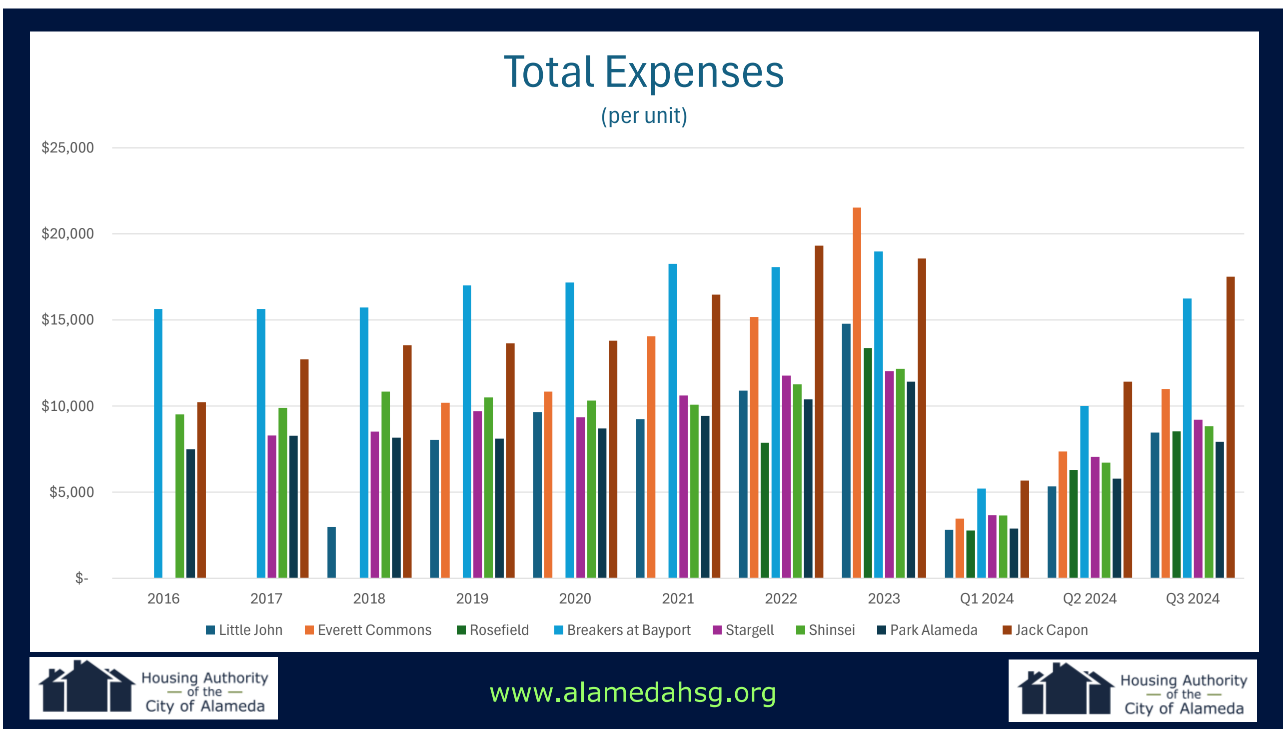
11


Total Expenses
(per unit)
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
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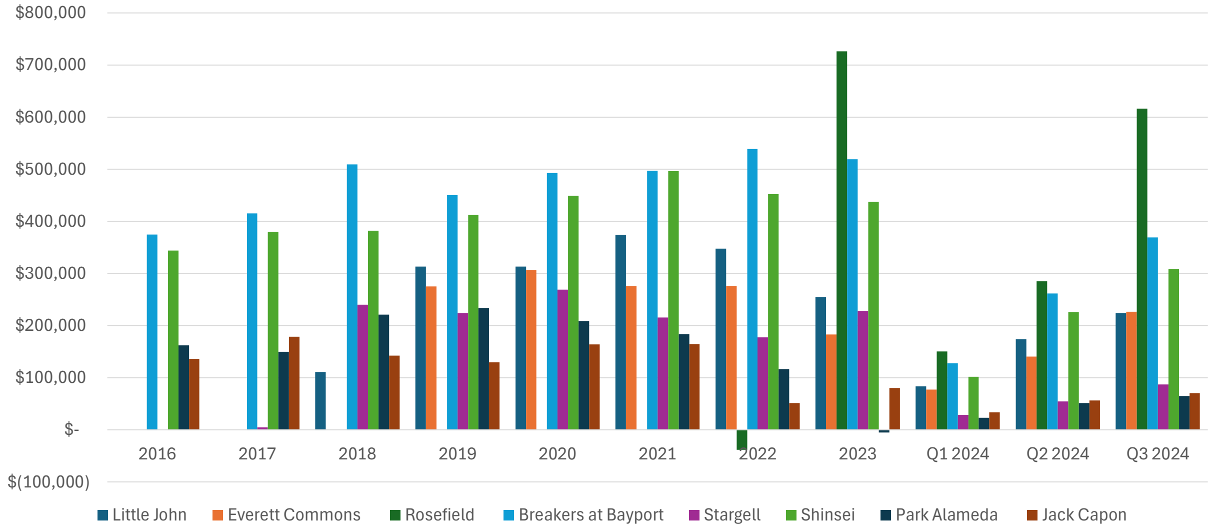
Net Operating Income



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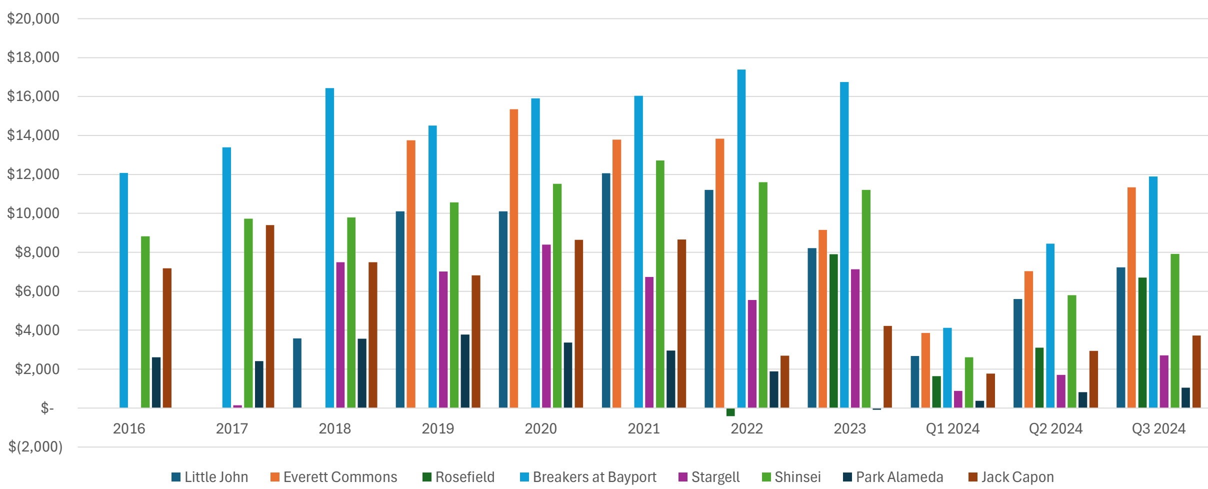
Net Operating Income (per unit)



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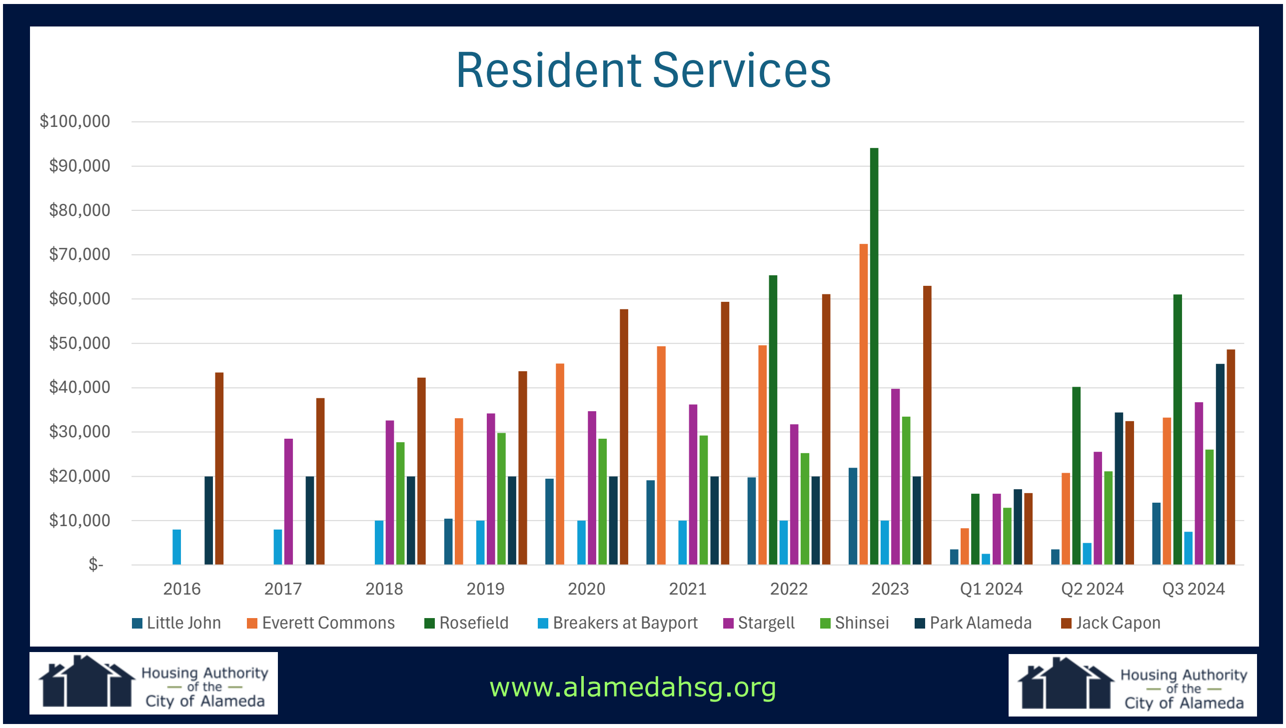
14


Resident Services
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
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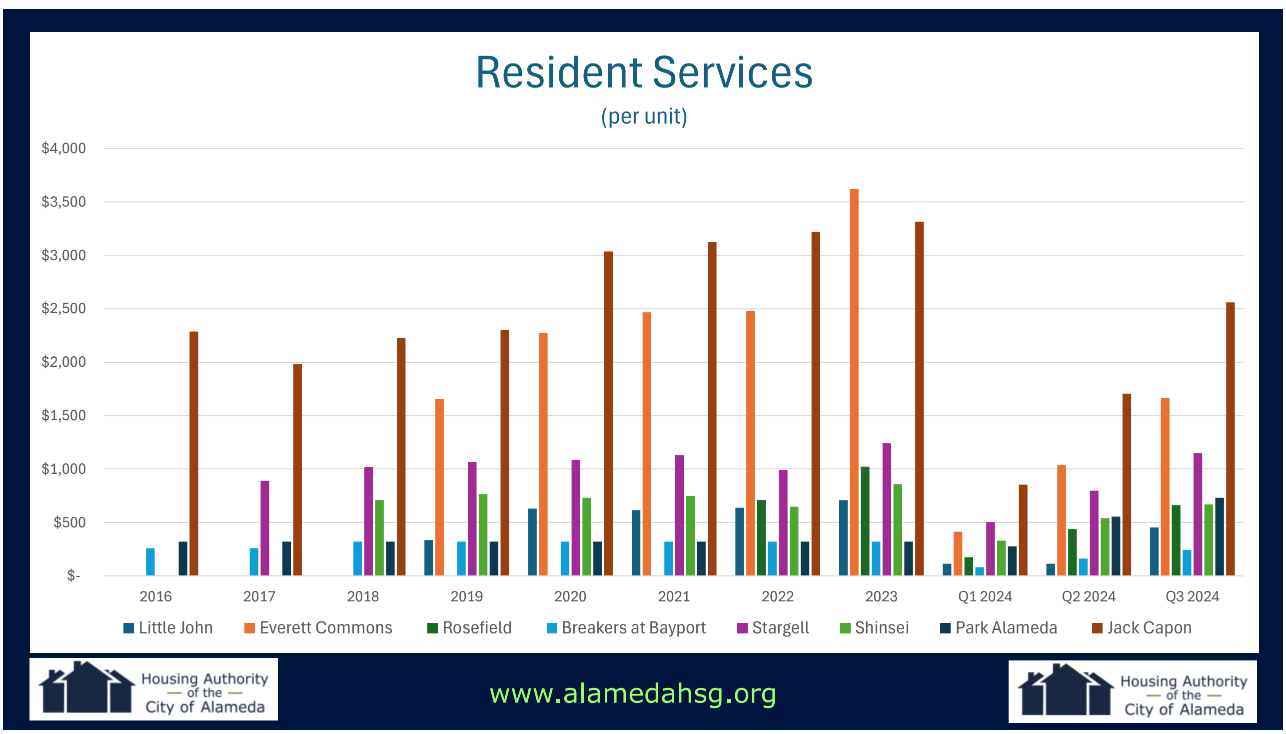
15


Resident Services
(per unit)
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$-
2016
2017
2018
2019
2020
2021
2022
2023
Q1 2024
Q2 2024
Q3 2024
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
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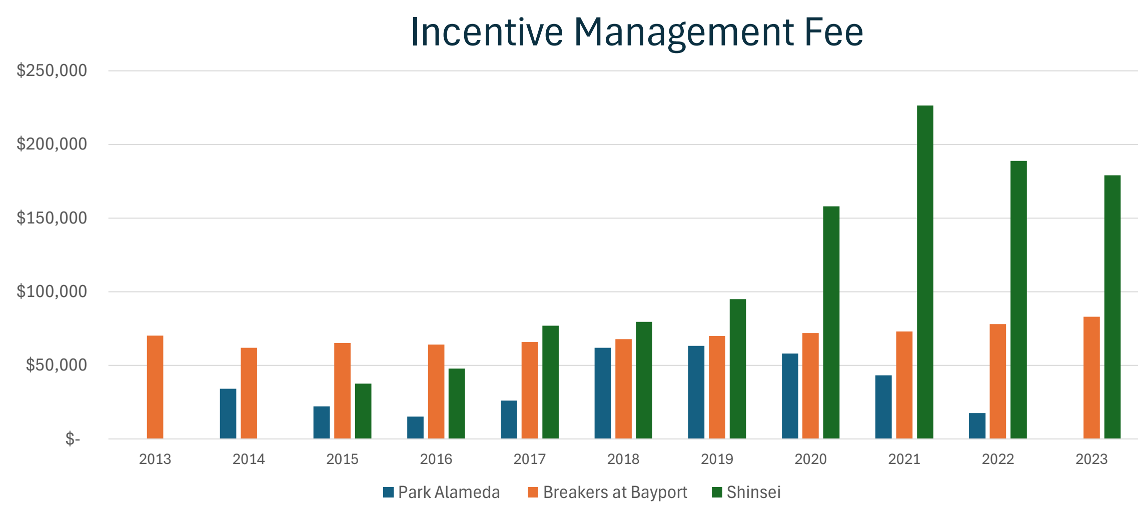
16



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Income Statement	Jan-Sept
Number of Units	52

Breakers at Bayport

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 451,671	$ 517,869	$ (66,198)	-13%	$ 11,581
Subsidy Revenue	$ 424,231	$ 388,485	$ 35,746	9%	$ 10,878
Vacancy Loss	$ (8,265)	$ (18,127)	$ 9,862	-54%	$ (212)
Other Income	$ 5,303	$ 100	$ 5,203	N/A	$ 136
Total Operating Revenue	**$ 872,940**	**$ 888,327**	**$ (15,387)**	**-2%**	**$ 22,383**
Administrative Expenses	$ 172,377	$ 135,673	$ 36,704	27%	$ 4,420
Utilities Expense	$ 73,916	$ 70,986	$ 2,930	4%	$ 1,895
Operating and Maintenance	$ 158,598	$ 153,967	$ 4,631	3%	$ 4,067
Taxes and Insurance	$ 91,644	$ 90,102	$ 1,542	2%	$ 2,350
Resident Services	$ 7,500	$ 7,501	$ (1)	0%	$ 192
Total Operating Expenses	**$ 504,035**	**$ 458,229**	**$ 45,806**	**10%**	**$ 12,924**
Net Operating Income	**$ 368,905**	**$ 430,098**	**$ (61,193)**	**-14%**	**$ 9,459**
Replacement Reserves	$ 11,625	$ 11,625			
Debt Service	$ 104,364	$ 104,364			
Net Cash Flow	**$ 252,916**	**$ 314,109**	**$ (61,193)**	**-19%**	**$ 6,485**
Debt Service Coverage Ratio	3.42	4.01			
Operating Expense PUPY	$ 12,924	$ 11,749			
Operating Expense PUPM	$ 1,436	$ 1,305			
Number of Units	52				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	39

Shinsei Gardens

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 278,138	$ 255,478	$ 22,660	9%	$ 9,509
Subsidy Revenue	$ 402,445	$ 452,794	$ (50,349)	-11%	$ 13,759
Vacancy Loss	$ (32,346)	$ (16,015)	$ (16,331)	102%	$ (1,106)
Other Income	$ 4,846	$ 2,939	$ 1,907	65%	$ 166
Total Operating Revenue	**$ 653,083**	**$ 695,196**	**$ (42,113)**	**-6%**	**$ 22,328**
Administrative Expenses	$ 106,462	$ 94,740	$ 11,722	12%	$ 3,640
Utilities Expense	$ 59,623	$ 48,482	$ 11,141	23%	$ 2,038
Operating and Maintenance	$ 93,624	$ 163,301	$ (69,677)	-43%	$ 3,201
Taxes and Insurance	$ 58,682	$ 62,046	$ (3,364)	-5%	$ 2,006
Resident Services	$ 26,057	$ 23,561	$ 2,496	11%	$ 891
Total Operating Expenses	**$ 344,448**	**$ 392,130**	**$ (47,682)**	**-12%**	**$ 11,776**
Net Operating Income	**$ 308,635**	**$ 303,066**	**$ 5,569**	**2%**	**$ 10,552**
Replacement Reserves	$ 17,550	$ 17,550			
Debt Service	None	None			
Net Cash Flow	**$ 291,085**	**$ 285,516**	**$ 5,569**	**2%**	**$ 9,952**
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	$ 11,776	$ 13,406			
Operating Expense PUPM	$ 1,308	$ 1,490			
Number of Units	39				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	62

Park Alameda

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 336,899	$ 389,631	$ (52,732)	-14%	$ 7,245
Subsidy Revenue	$ 253,747	$ 238,480	$ 15,267	6%	$ 5,457
Vacancy Loss	$ (37,581)	$ (65,449)	$ 27,868	-43%	$ (808)
Other Income	$ 2,659	$ 6,812	$ (4,153)	-61%	$ 57
Total Operating Revenue	**$ 555,724**	**$ 569,474**	**$ (13,750)**	**-2%**	**$ 11,951**
Administrative Expenses	$ 145,336	$ 147,500	$ (2,164)	-1%	$ 3,126
Utilities Expense	$ 76,384	$ 47,459	$ 28,925	61%	$ 1,643
Operating and Maintenance	$ 134,573	$ 115,409	$ 19,164	17%	$ 2,894
Taxes and Insurance	$ 89,096	$ 81,743	$ 7,353	9%	$ 1,916
Resident Services	$ 45,393	$ 46,795	$ (1,402)	-3%	$ 976
Total Operating Expenses	**$ 490,782**	**$ 438,906**	**$ 51,876**	**12%**	**$ 10,554**
Net Operating Income	**$ 64,942**	**$ 130,568**	**$ (65,626)**	**-50%**	**$ 1,397**
Replacement Reserves	$ 23,948	$ 23,948			
Debt Service	None	None			
Net Cash Flow	**$ 40,995**	**$ 106,621**	**$ (65,626)**	**-62%**	**$ 882**
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	$ 10,554	$ 9,439			
Operating Expense PUPM	$ 1,173	$ 1,049			
Number of Units	62				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	32

Stargell Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 287,256	$ 253,344	$ 33,912	13%	$ 11,969
Subsidy Revenue	$ 125,049	$ 170,203	$ (45,154)	-27%	$ 5,210
Vacancy Loss	$ (34,513)	$ (6,505)	$ (28,008)	431%	$ (1,438)
Other Income	$ 3,260	$ 3,334	$ (74)	-2%	$ 136
Total Operating Revenue	**$ 381,052**	**$ 420,376**	**$ (39,324)**	**-9%**	**$ 15,877**
Administrative Expenses	$ 87,145	$ 81,772	$ 5,373	7%	$ 3,631
Utilities Expense	$ 38,579	$ 39,157	$ (578)	-1%	$ 1,607
Operating and Maintenance	$ 73,935	$ 67,454	$ 6,481	10%	$ 3,081
Taxes and Insurance	$ 57,695	$ 59,645	$ (1,950)	-3%	$ 2,404
Resident Services	$ 36,736	$ 27,737	$ 8,999	32%	$ 1,531
Total Operating Expenses	**$ 294,090**	**$ 275,765**	**$ 18,325**	**7%**	**$ 12,254**
Net Operating Income	**$ 86,962**	**$ 144,611**	**$ (57,649)**	**-40%**	**$ 3,623**
Replacement Reserves	$ 14,400	$ 14,400			
Debt Service	$ 51,867	$ 51,867			
Net Cash Flow	**$ 20,695**	**$ 78,344**	**$ (57,649)**	**-74%**	**$ 862**
Debt Service Coverage Ratio	1.40	2.51			
Operating Expense PUPY	$ 12,254	$ 11,490			
Operating Expense PUPM	$ 1,362	$ 1,277			
Number of Units	32				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	19

Jack Capon Villas

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 79,458	$ 73,395	$ 6,063	8%	$ 5,576
Subsidy Revenue	$ 306,012	$ 316,062	$ (10,050)	-3%	$ 21,475
Vacancy Loss	$ 3,738	$ (38,946)	$ 42,684	-110%	$ 262
Other Income	$ 14,258	$ 2,072	$ 12,186	588%	$ 1,001
Total Operating Revenue	**$ 403,466**	**$ 352,583**	**$ 50,883**	**14%**	**$ 28,313**
Administrative Expenses	$ 77,217	$ 80,285	$ (3,068)	-4%	$ 5,419
Utilities Expense	$ 22,057	$ 24,396	$ (2,339)	-10%	$ 1,548
Operating and Maintenance	$ 99,644	$ 116,616	$ (16,972)	-15%	$ 6,993
Taxes and Insurance	$ 25,688	$ 32,058	$ (6,370)	-20%	$ 1,803
Resident Services	$ 48,653	$ 48,653	$ -	0%	$ 3,414
Total Operating Expenses	**$ 273,259**	**$ 302,008**	**$ (28,749)**	**-10%**	**$ 19,176**
Net Operating Income	**$ 130,207**	**$ 50,575**	**$ 79,632**	**157%**	**$ 9,137**
Replacement Reserves	$ 8,550	$ 8,550			
Debt Service	$ 21,474	$ 21,474			
Net Cash Flow	**$ 100,183**	**$ 20,551**	**$ 79,632**	**387%**	**$ 7,030**
Debt Service Coverage Ratio	5.67	1.96			
Operating Expense PUPY	$ 19,176	$ 21,194			
Operating Expense PUPM	$ 2,131	$ 2,355			
Number of Units	19				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	31

Littlejohn Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 146,451	$ 93,843	$ 52,608	56%	$ 6,299
Subsidy Revenue	$ 425,866	$ 492,660	$ (66,794)	-14%	$ 18,317
Vacancy Loss	$ (52,363)	$ (11,730)	$ (40,633)	346%	$ (2,252)
Other Gain/Loss	$ 14,283	$ (10,026)	$ 24,309	NA	$ 614
Other Income	$ (47,873)	$ (68,672)	$ 20,799	-30%	$ (2,059)
Total Operating Revenue	**$ 486,364**	**$ 496,075**	**$ (9,711)**	**-2%**	**$ 20,919**
Administrative Expenses	$ 79,036	$ 90,886	$ (11,850)	-13%	$ 3,399
Utilities Expense	$ 38,534	$ 41,332	$ (2,798)	-7%	$ 1,657
Operating and Maintenance	$ 72,824	$ 73,367	$ (543)	-1%	$ 3,132
Taxes and Insurance	$ 58,061	$ 55,293	$ 2,768	5%	$ 2,497
Resident Services	$ 14,078	$ 16,345	$ (2,267)	-14%	$ 606
Total Operating Expenses	**$ 262,533**	**$ 277,223**	**$ (14,690)**	**-5%**	**$ 11,292**
Net Operating Income	**$ 223,831**	**$ 218,852**	**$ 4,979**	**2%**	**$ 9,627**
Replacement Reserves	$ 11,625	$ 11,625			
Debt Service	$ 177,381	$ 177,381			
Net Cash Flow	**$ 34,825**	**$ 29,846**	**$ 4,979**	**17%**	**$ 1,498**
Debt Service Coverage Ratio	1.20	1.17			
Operating Expense PUPY	$ 11,292	$ 11,924			
Operating Expense PUPM	$ 1,255	$ 1,325			
Number of Units	31				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	20

Everett Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 93,249	$ 134,046	$ (40,797)	-30%	$ 6,217
Subsidy Revenue	$ 351,423	$ 350,739	$ 684	0%	$ 23,428
Vacancy Loss	$ (16,516)	$ (9,695)	$ (6,821)	70%	$ (1,101)
Other Gain/Loss	$ 23,101	$ (8,515)	$ 31,616	NA	$ 1,540
Other Income	$ (4,573)	$ (36,563)	$ 31,990	-87%	$ (305)
Total Operating Revenue	**$ 446,684**	**$ 430,012**	**$ 16,672**	**4%**	**$ 29,779**
Administrative Expenses	$ 57,433	$ 58,244	$ (811)	-1%	$ 3,829
Utilities Expense	$ 23,308	$ 46,276	$ (22,968)	-50%	$ 1,554
Operating and Maintenance	$ 59,632	$ 44,201	$ 15,431	35%	$ 3,975
Taxes and Insurance	$ 46,265	$ 38,950	$ 7,315	19%	$ 3,084
Resident Services	$ 33,254	$ 37,221	$ (3,967)	-11%	$ 2,217
Total Operating Expenses	**$ 219,892**	**$ 224,892**	**$ (5,000)**	**-2%**	**$ 14,659**
Net Operating Income	**$ 226,792**	**$ 205,120**	**$ 21,672**	**11%**	**$ 15,119**
Replacement Reserves	$ 10,130	$ 10,130			
Debt Service	$ 161,937	$ 161,937			
Net Cash Flow	**$ 54,725**	**$ 33,053**	**$ 21,672**	**66%**	**$ 3,648**
Debt Service Coverage Ratio	1.34	1.20			
Operating Expense PUPY	$ 14,659	$ 14,993			
Operating Expense PUPM	$ 1,629	$ 1,666			
Number of Units	20				
Months In YTD	9				

Income Statement	Jan-Sept
Number of Units	92

Rosefield Village

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 832,758	$ 1,088,541	$ (255,783)	-23%	$ 12,069
Subsidy Revenue	$ 582,576	$ 533,412	$ 49,164	9%	$ 8,443
Vacancy Loss	$ (109,781)	$ (48,658)	$ (61,123)	126%	$ (1,591)
Other Gain/Loss	$ 186,111	$ (1,189)	$ 187,300	NA	$ 2,697
Other Income	$ (90,212)	$ (161,983)	$ 71,771	-44%	$ (1,307)
Total Operating Revenue	**$ 1,401,452**	**$ 1,410,123**	**$ (8,671)**	**-1%**	**$ 20,311**
Administrative Expenses	$ 299,392	$ 227,767	$ 71,625	31%	$ 4,339
Utilities Expense	$ 130,184	$ 166,530	$ (36,346)	-22%	$ 1,887
Operating and Maintenance	$ 164,342	$ 102,860	$ 61,482	60%	$ 2,382
Taxes and Insurance	$ 130,198	$ 142,829	$ (12,631)	-9%	$ 1,887
Resident Services	$ 61,010	$ 70,032	$ (9,022)	-13%	$ 884
Total Operating Expenses	**$ 785,126**	**$ 710,018**	**$ 75,108**	**11%**	**$ 11,379**
Net Operating Income	**$ 616,326**	**$ 700,105**	**$ (83,779)**	**-12%**	**$ 8,932**
Replacement Reserves	$ 41,400	$ 41,400			
Debt Service	$ 543,519	$ 543,519			
Net Cash Flow	**$ 31,407**	**$ 115,186**	**$ (83,779)**	**-73%**	**$ 455**
Debt Service Coverage Ratio	1.06	1.21			
Operating Expense PUPY	$ 11,379	$ 10,290			
Operating Expense PUPM	$ 1,264	$ 1,143			
Number of Units	92				
Months In YTD	9				

Housing Authority of the City of Alameda

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FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Chief Financial Officer

Date: November 20, 2024

Re: Accept the Quarterly Financial Report for the month ended September 30, 2024.

BACKGROUND

This high-level, Finance and Budget Variance Report covers preliminary unaudited financial operating results from July 1, 2024 through September 30, 2024 compared to the Fiscal Year 2024-2025 budget for the same period. In June 2024, the Housing Authority of the City of Alameda (AHA) Board of Commissioners approved a one-year, Fiscal Year 2024-2025, operating budget for the period covering July 1, 2024 through June 30, 2025. Although the audited financial statements are on an accrual basis, the month-to-month financial statements are on a hybrid accrual and cash basis. The numbers presented are subject to change based on the adjustments from the final audited financial statement report by the independent financial auditors, including information that is provided in arrears such as the pension calculation from AHA actuaries and any adjustments proposed by the independent financial auditors. AHA financial reports incorporate the financial activities of the properties which were transferred to AHA's affiliate, Alameda Affordable Housing Corporation (AAHC). All members of the AHA Board of Commissioners also serve as the Board of Directors of AAHC and, due to this common control, the Department of Housing and Urban Development (HUD) has opined that AAHC is a blended component unit of AHA. Please note that the activity of AHA's affiliate, Island City Development (ICD), and related low-income housing tax credit partnerships (which owns Rosefield Village, Everett Commons and Littlejohn Commons, and is developing the North Housing sites including Estuary I and Linnet Corner, as well as The Poplar), are not included in this memorandum. Financial activity is presented at a separate ICD Board Meeting. HUD has opined that ICD is a discretely presented component unit of AHA, and presented separately in the audited financial statements of the agency.

DISCUSSION

Overview

The following Financial Snapshot showcases Net Operating Income (Cash Flow of

AHA) for the fiscal year to date (July 1, 2024 through September 30, 2024). Further discussions on the cause of these variances are presented below.

Financial Snapshot	PTD Actual	PTD Budget	Variance (+/-)	% Variance
TOTAL REVENUE	$15,990,879	$15,621,382	$369,497	2.37
LESS: OPERATING EXPENSES	-$15,077,389	-$15,574,863	$497,475	3.19
NET OPERATING INCOME	$913,490	$46,519	$866,972	1,863.71

Although projected actual Net Operating Income is substantial higher than budget, a portion of budgeted revenue is non-recurring (e.g. AUSD ROPS Grants). Additionally, the Independence Plaza Tax Increment of $2.5 Million is expected to sunset in 2026, although an action plan for the Faircloth to RAD conversion is in process to stabilize the property revenue with additional vouchers.

The following Risk Indicator showcases whether AHA has sufficient cash and investments to meet its near-term obligations. There are currently substantial cost savings as the agency has vacant budgeted positions, but as AHA fills these positions, the expectation is that the "Month Covered" column will be lower as additional funding will be deployed due to commitments to Estuary I, Linnet Corner, The Poplar, and the North Housing parcel.

Performance Indicator	Cash and Investments	YTD Expenses divided by 3 months (Average)	Months Covered
Cash and Investments/Total HAP (Actuals divided by 3 months)	23,288,676	3,611,929	6.45
Cash and Investments/Operating Expense (Actuals divided by 3 months)	23,288,676	1,413,868	16.47
Cash and Investments/HAP and Operating Expense	23,288,676	5,025,796	4.63

(Actuals divided by 3 months)			

Furthermore, the leverage ratio of AHA/AAHC Debt ($120,269,629) to AHA Assets ($273,473,406) percentage of 43.98% showcases that AHA is lowly leveraged and does not utilize substantial borrowings to fund AHA/AAHC operations. Additionally, some of the AHA debt is internal debt (e.g. seller note from the AHA to AAHC property transfers which is a mechanism for AAHC properties to repatriate operating cash flow to AHA).

Third Party Management

AHA's Finance team and the Accounting team from FPI Management, Inc., (FPI) continues to work closely for reporting, and staff from both parties continue to monitor for critical invoices to be paid on time (mortgages, insurance, utilities, vendors etc.). Additionally, AHA Finance staff have access to view FPI bank account activity online, and FPI Yardi financial statements, and online access to view accounting and ledger transactions in real time. Monthly financial packages are received approximately 15 days after the month end of our properties and are reviewed by AHA Finance, AHA Property Management and AHA Asset Management.

Operations Budget – Revenue

Year-to-date - Rental Income (Total Tenant Revenue) of $4,516,136 is predominantly made up of Housing Assistance Payments (HAP) received for AHA/AAHC units and tenant rents received for these properties. Please note that the tax increment subsidy for Independence Plaza (which will sunset in 2026) is received as two lump sums from the City of Alameda and recognized on a monthly prorated basis on the financial statements for budget purposes (accrual basis). This tax increment was received in January 2024. The tenant portion of rents received is lower than budget by $228,867 (15.62%), with vacancies lower than budget by $43,326 (22.65%), with a higher HAP subsidy received of $228,180 (9.01%). Staff will continue to monitor tenant and HAP income closely, and a reconciliation effort continues to be in progress for all properties under FPI's management. Additional tenant funding from the emergency rental assistance payment program was also received for the properties. Total Federal Grants (7069000) represents Shelter Plus Care Revenue from the County of Alameda. As of the beginning of November 2024, billings of August through October 2024 are outstanding. Other Grants (7089000) is lower than budget as the budgeted AUSD ROPs Grant is still pending. Again, these types of revenue are non-recurring. Total Other Income (7159000) is lower than budget due to the timing of the Island City Development Services fee to AHA (which will be processed by the end of the 2024 calendar year). This is offset by higher interest earnings of funds not yet deployed for New Construction. Although interest income is higher than budget due to a higher cash and investment reserves balance and driven by higher interest rates from AHA's bank, LAIF and CAMP, it is expected that interest income will continue to be lower in the upcoming months due to planned deployment of reserves as well as lower interest rates expected.

Expenses

Total operating expenses, including HAP and mortgage principal payments to AHA/AAHC lenders are lower period-to-date budget by $497,475. Aside from HAP (discussed in the following paragraph), this is mainly due to lower paid out salary and benefit expenses, which are under budget due to vacant positions (e.g. unfilled openings, resignations, retirements, or long-term leaves), and includes cost savings due to budgeted travel not heavily utilized during the fiscal year, offset by higher maintenance costs in the properties due to deferred maintenance and certain costs that were planned for to be reclassified as capital costs on the balance sheet but paid out of operating funds. Please see Quarterly Overview Report for the Executive/Data and Policy and HR Departments for an overview of active recruitment. Staff expects these operating expenses to increase as AHA fills staffing vacancies. Additional temporary staff have been on-boarded to back-fill various vacant positions.

Housing Assistance Payments (HAP) Pass-through

The Housing Assistance Payments (HAP) pass-through includes all the Housing Choice Voucher/Section 8, Shelter Plus, and Bessie Coleman ("SRO") programs. Year-to-date HAP revenue (8100120 Total HUD Grant) is higher than budgeted by $987,353. HUD has released additional HUD held cash reserves due to the projected shortfall in funding in 2024.

Statement of Net Position

AHA and its legal affiliates have adequate cash resources for operations and reserves. As of September 30, 2024, AHA, AAHC, and its affiliates have $5.4 million in cash, and $22.6 million held in Local Area Investment Trust Fund ("LAIF") and California Asset Management Program ("CAMP") investments. CAMP funds held by Island City Development are not included in this memorandum. Please see below to showcase a breakdown of AHA's cash position and restricted and unrestricted cash breakout. Please refer to the separate Investment Memorandum which showcases the statements of the September 2024 LAIF and CAMP investments presented to the Board of Commissioners for the withdrawal of investment to cash.

Cash	$5,722,016
LAIF (Local Area Investment Fund)	$12,472,332
CAMP (California Asset Management Program)	$5,094,328
I) Total Cash and Cash Equivalents	$23,288,676
Restricted Property Funds (Security Deposit, Replacement Reserve, Escrow Deposits, etc.)	$1,134,803
Restricted Federalized Funds (Section 8, etc.)	$1,044,728
Cash - Subject to the Reserves Policy	$21,109,145
II) Restricted and Unrestricted Cash and Equivalents Breakout	$23,288,676

In May 2022, the Reserves Policy was approved by the Board of Commissioners on the medium term plan to maintain adequate operating and HAP reserves and also for acquisition and development purposes. This Reserves Policy has been expanded since then (with the latest presented in May 2024) and it is expected that additional changes will be needed in the latter half of fiscal year 2025.

Additionally, periodic sweep of excess property operating cash are repatriated to AHA control and may be redeployed to investment holding accounts if not needed in the short term.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

<u>Administrative and Staffing</u>
The satellite office's lease has been extended through 2027 (with an extension to 2029), which currently houses the finance and asset management departments. The Board of Commissioners approved the extension in the month of April 2024.

The Finance Department is fully staffed with no turnover since 2019, with added members since 2023. Nan McKay and Associates, AHA's PHA Financial Consultants, continues to provide limited consulting services, including HUD's monthly Voucher Management System ("VMS") report submittal and support of the annual unaudited Financial Data Schedule ("FDS"). A part-time financial consultant is providing assistance with reconciliation efforts and financial review support.

<u>Alameda Housing Authority Audit and Tax</u>
Novogradac and Company (AHA's CPA firm) finalized AHA's Fiscal Year 2023 audited financial statement in March 2024. The draft audited financial statements and footnotes were brought to the Board of Commissioners at the March 2024 meeting and approved, showcasing no findings and an unqualified audit opinion. AHA is not required to file an entity tax return. AHA Finance staff have started work on the Fiscal Year 2024 audited financial statement with the same planned finalization date of March 2025.

<u>Alameda Affordable Housing Corporation Tax</u>
AAHC's financial information is consolidated with AHA, and therefore there are no separate audited financial statements. The AAHC Board of Directors approved the draft tax return in April 2024. The AAHC tax return was filed in May 2024 by the extended tax filing deadline. As the fiscal year-end of AAHC is June 30, 2024, a federal tax extension is required to be filed no later than November 2024 for a final filing date of May 2025.

<u>Island City Development Audit and Tax</u>
AHA is working with the CPA firm Holthouse, Carlin & Van Tright LLP ("HCVT") for audit work of Island City Development and the three stabilized low-income housing tax credit (LIHTC) project partnerships (Sherman and Buena Vista, L.P. and Everett and Eagle, L.P., and Constitution & Eagle, L.P. the “LPs”) with preliminary meetings held for the 2024 reporting. The 2023 Island City Development audited financial statements will be

brought to the ICD Board of Directors in November 2024, and its activity will be presented in the AHA consolidated audited financial statements.

ICD is under a separate contract with Novogradac & Company LLP (San Francisco Office) as it relates to North Housing Block A. This includes 3 low-income housing tax credit partnerships (two in active construction including Estuary I and Linnet Corner), including agreed-upon procedures reports, audited financial statements, tax returns and cost certifications.

Department of Housing and Urban Development (HUD)

HUD has informed AHA in 2024 that it is expected that AHA will fall under HAP shortfall by the end of the calendar year. AHA staff have been in discussions with HUD's shortfall team, HUD's local field office and HUD's financial analyst to monitor and take action on specific programmatic items.

The June 30, 2024 year-end unaudited financial data summary ("FDS") was submitted to HUD on September 30, 2024 and accepted with no comments or questions.

Unfunded Pension Liabilities

Although it is expected that the unfunded accrued pension liability will be fully paid within the next 15 years as projected by the soft fresh start mechanism previously presented to the Board of Commissioners by AHA's actuary, Nicolay, this is based on the assumption that the investment assets held at CalPERS as well as funding of the liabilities continue as projected.

In July 2024, CalPERS stated that there is a preliminary positive 9.3% net return on investments for the 12-month period that ended June 30, 2024. Finance staff included actuarial reporting in the audited financial statements presented in March 2024. Finance staff funded the annual accrued unfunded liability principal payment in the Summer 2024. The next report will be the annual audited financial statements no later than the first calendar year quarter of 2025. As previously presented to the Board of Commissioners, this will be reviewed on an annual basis within a 90%-110% guardrail and any substantial deviation will be reviewed and presented. AHA Finance received a withdrawal from the CalPERS Other Post-Employment Benefit Section 115 Trust of approximately $50k to pay back direct and implicit costs of retirees in July 2024.

AHA Finance staff visited the CalPERS field office to discuss pension issues in the month of August 2024.

Budget

A detailed budget for the fiscal year July 1, 2024 through June 30, 2025 was brought to the Board of Commissioners at the June 2024 Board of Commissioners meeting and was approved by both AHA and AAHC boards.

Banking Activities

New bank accounts for new legal entities (e.g. limited liability companies controlled through an affiliate of AHA) and other investor required reserve accounts were created with our main operating bank partner.

FISCAL IMPACT
None. This is for reporting purposes only.

CEQA
N/A

RECOMMENDATION
Accept the Quarterly Financial Report for the month ended September 30, 2024.

ATTACHMENTS
1. EXHIBIT A - JULY-SEPT 2024 PTD
2. EXHIBIT B - SEPT 2024 BS

Respectfully submitted,

Louie So

Louie So, Chief Financial Officer

Budget Comparison (with PTD) - AHA + AAHC ONLY

Period = Jul 2024-Sep 2024

Book = Accrual

		PTD Actual	PTD Budget	*Variance*	*% Var*
7050000	TOTAL TENANT REVENUE	4,516,136	4,411,883	***104,252***	***2.36***
7069000	TOTAL FEDERAL GRANTS	38,962	117,410	***(78,448)***	***(66.82)***
7089000	TOTAL OTHER GRANTS	-	500,000	***(500,000)***	***(100.00)***
7159000	TOTAL OTHER INCOME	253,940	397,500	***(143,560)***	***(36.12)***
8100120	TOTAL HUD GRANT	11,181,941	10,194,588	***987,353***	***9.69***
8989000	TOTAL OTHER REVENUE	(100)	-	***(100)***	***N/A***
8999000	**TOTAL REVENUE**	**15,990,879**	**15,621,382**	***369,497***	***2.37***
9169000	TOTAL ADMINISTRATIVE	2,592,257	4,339,680	***1,747,422***	***40.27***
9249000	TOTAL TENANT SERVICES	60,842	84,091	***23,249***	***27.65***
9399000	TOTAL UTILITIES	233,653	349,170	***115,517***	***33.08***
9499000	TOTAL MAINTENANCE	474,760	253,103	***(221,657)***	***(87.58)***
9698000	TOTAL GENERAL EXPENSES	425,579	383,610	***(41,969)***	***(10.94)***
9699000	TOTAL OPERATING EXPENSES	3,897,556	5,409,653	***1,512,097***	***27.95***
9700900	TOTAL MOD REHAB AND SPC EXPENSES	(147,953)	(100,000)	***47,953***	***47.95***
9739000	TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER)	10,983,739	9,906,161	***(1,077,577)***	***(10.88)***
9859999	TOTAL OTHER EXPENSES	478,880	493,882	***15,002***	***3.04***
9996000	**TOTAL EXPENSES**	**15,212,222**	**15,709,697**	***497,475***	***3.17***
9998000	**NET INCOME**	**778,656**	**(88,315)**	***(866,972)***	***981.68***
LESS:	DEPRECIATION EXPENSE (NON-CASH ADD BACK)	430,000	430,000	***-***	***-***
ADD:	MORTGAGE PRINCIPAL REPAYMENTS	(295,166)	(295,166)	***-***	***-***
	CASH FLOW FROM OPERATIONS	**913,490**	**46,519**	***866,972***	***1,863.71***
	SUMMARY OF CASH FLOW FROM OPERATIONS				
	TOTAL REVENUE	15,990,879	15,621,382	***369,497***	***2.37***
	TOTAL EXPENSES (ADJUST NON-CASH DEPRECIATION + PRINCIPAL REPAYMENT)	15,077,389	15,574,863	***497,475***	***3.19***
	CASH FLOW FROM OPERATIONS	**913,490**	**46,519**	***866,972***	***1,863.71***

Balance Sheet (With Period Change) - AHA + AAHC ONLY

Period = Jul 2024-Sep 2024

Book = Accrual

		Balance
		Current Period
1000000	ASSETS	
1100000	CURRENT ASSETS	
1101000	CASH	
1110010	Cash - Unrestricted	3,121,673
1110012	Cash - Reserve for Building	232,120
1110018	Cash - Operating Checking with 3rd Party	1,116,990
1110019	Petty Cash with 3rd Party	4,000
1110020	Cash - Petty cash	1,250
1110021	Cash - Benefit Account	9
1110030	Cash - FSS	112,716
1110040	Cash - Replacement Reserve Bldg	221,009
1130010	Cash - Restricted Other	79,231
1130030	Cash - Restricted Sec Dep	41
1140050	Cash - Tenant Security Deposits with 3rd Party	489,685
1199000	TOTAL CASH	5,378,725
1200000	ACCOUNTS RECEIVABLE	
1240010	Accounts Receivable - Government	1,380,170
1240070	Accounts Receivable- HUD	18,607
1250010	Accounts Receivable - Other	246,322
1250020	Accounts Receivable - Owners	295,416
1250050	Accounts Receivable - 3rd Party Management	10,236
1255000	Subsidy Suspense Receivable	2,552
1260000	Accounts Receivable - Tenant	291,270
1260050	Accounts Receivable - Tenant Rent with 3rd Party	573,817
1261000	Allowance for Doubtful Accounts -Dwelling Rent	(468,672)
1280000	Fraud Recovery	62,500
1281000	Allowance for Doubtful Accounts - Fraud	(61,774)
1290000	Accrued Interest Receivable	147,904
1290010	Accrued Receivables	200,000
1299000	TOTAL ACCOUNTS RECEIVABLE	2,698,346
1300000	INVESTMENTS AND OTHER CURRENT NOTES	
1310000	Investments(LAIF)- Unrestricted	11,196,780
1320010	Investments - Other	303
1320020	Investments(LAIF) (Restricted) - FSS Escrow	95
1320030	Investments(LAIF)- Building Reserve	1,141,295
1320040	Investments(LAIF) - Equipment Reserve	132,353
1350000	Investments - Restricted	0
1350010	Investment(LAIF)-Restricted (Jack Capon Villa Trust)	1,506
1350031	Investments - CAMP	5,094,328
1350100	Mortgage Receivable	115,364,267
1350103	Mortgage Receivable-Jack Capon L. P.	4,568
1350105	Loan Receivable-Security Deposit Loan	18,643

Balance Sheet (With Period Change) - AHA + AAHC ONLY
Period = Jul 2024-Sep 2024
Book = Accrual

		Balance
		Current Period
1350106	Loan Receivable - ICD	34,032,012
1350107	Loan Receivable-RCD/Stargell/Tri Pointe	2,000,000
1350109	Loan Receivable - Section 8	1,790,000
1360000	TOTAL INVESTEMENTS AND OTHER CURRENT NOTES	170,776,150
1400000	PREPAID EXPENSES	
1420010	Prepaid Insurance - Property	31,368
1420040	Prepaid Insurance - Worker Comp	35,634
1420050	Prepaid - Other	2,910
1420051	Prepaid Rent	5,813
1420070	Escrow Deposits - Property	18,350
1420095	Prepaid Expense - Management Company	486,040
1430010	Replacement Reserve-NorthMarq Loan	324,941
1440099	TOTAL PREPAID EXPENSES	905,057
1440105	INTERPROGRAM	
1440110	Interprogram (Due From)	6,877,846
1440111	Interprogram Due From Sherman St FACSA	365
1440899	TOTAL INTERPROGRAM	6,878,211
1500000	TOTAL CURRENT ASSETS	186,636,489
1590000	LONG TERM ASSETS	
1600000	FIXED ASSETS	
1609999	LAND AND BUILDINGS	
1610000	Land	60,726,239
1620030	Buildings	36,317,895
1620031	Buildings Improvements	3,252,310
1620060	Construction In Progress	2,500
1629000	TOTAL LAND AND BUILDINGS	100,298,943
1630040	Furniture and Equipment - Dwelling	280,977
1630041	Furniture and Equipment - Other	150,762
1650000	Leasehold Improvements	14,941,851
1660030	Accumulated Deprecation	(36,040,487)
1699000	TOTAL FIXED ASSETS	79,632,046
1700000	ALL OTHER ASSETS	
1740000	Other Asset	295,246
1770000	TOTAL ALL OTHER ASSETS	295,246
1800000	DEFERRED OUTFLOW	
1800200	Deferred Outflow of Resources	3,788,376
1890000	TOTAL DEFERRED OUTFLOW	3,788,376
1900000	CONSTRUCTION IN PROGRESS	
1900020	CIP - Building Improvements	869,076
1900030	CIP - Land Improvements	42,202
1900040	CIP - Acquisition-Legal	60,909
1900045	CIP - Acquisition-Title & Escrow Fee	7,883

Balance Sheet (With Period Change) - AHA + AAHC ONLY

Period = Jul 2024-Sep 2024

Book = Accrual

		Balance
		Current Period
1900050	CIP - Appraisal (Land or Property)	8,000
1900060	CIP - Demolition & Remediation	3,000
1900070	CIP - Others Acquisition Costs	1,463
1900100	CIP - On Site Improvement	894,710
1900101	CIP - GC Gen Requirements/OH/Profit	587,129
1900110	CIP - Offsite Improvement	254,268
1900200	CIP - Admin Expenses(including postage & advertising)	710
1900210	CIP - Architectural & Engineering Fees	73,995
1900213	CIP - Architectural Construction Admin	(533)
1900216	CIP - Survey Fees	34,628
1900217	CIP - Engineering Fees	12,197
1900230	CIP - Professional Services (Other)	23,524
1900250	CIP - Costs of Insurance	25,856
1900270	CIP - Financing Cost-Inspection Fees	89,951
1900280	CIP - Insurance Costs During Construction	26,901
1900290	CIP - Organization - Legal	4,892
1900300	CIP - Construction Loan-Legal	224
1900315	CIP - Construction Loan - Fees	(2,501)
1900350	CIP - Loan Interest - Soft	34,840
1900370	CIP - Syndication-Consultant	1,225
1900410	CIP - Environmental Testing & Reports	37,082
1900420	CIP - Permit & Fees (plan'g,build'g,public work,school dist)	13,213
1900430	CIP - Utilities Fees	5,310
1900440	CIP - Marketing Cost	11,096
1919999	TOTAL CONSTRUCTION IN PROGRESS	3,121,249
1929999	TOTAL LONG TERM ASSETS	86,836,918
1999999	**TOTAL ASSETS**	**273,473,406**
3000000	LIABILITIES AND EQUITY	
3005000	LIABILITIES	
3100000	CURRENT LIABILITIES	
3100500	ACCOUNTS PAYABLE	
3120010	Accounts Payable<= 90 Days	139,576
3120011	Accounts Payable -CALPERS (employee portion)	550
3120014	Accounts Payable-Garnishment (employee portion)	(129)
3120015	Accounts Payable-Vision Insurance (employee portion)	789
3120016	Accounts Payable-Life Insurance (employee portion)	(43)
3120018	Accounts Payable-PARS retirement (employee portion)	(1,287)
3120019	Accounts Payable-Flexible Spending Account(employee portion)	6,065
3120021	Employees Cobra	(262)
3120022	Accounts Payable-PERS 1959 Surv(Employee Portion)	41
3120023	Accounts Payable-FSA Transit Plan	755
3120024	Accounts Payable FSS	106,812

Balance Sheet (With Period Change) - AHA + AAHC ONLY

Period = Jul 2024-Sep 2024

Book = Accrual

		Balance
		Current Period
3120029	Accounts Payable - 3rd Party Management Company	48,559
3120030	Accrued Wage/Payroll Taxes Payable	-
3120040	Accrued Compensated Absences - Current Portion	204,488
3120070	Accrued Payables	511,783
3120075	Accrued Accounts Payable - 3rd Party Management	-
3120080	Contracts - Retentions	77,286
3330100	Tenants- Rents Payable	9,200
3339000	TOTAL ACCOUNT PAYABLE	1,104,183
3400000	SECURITY DEPOSITS HELD	
3410015	Tenant Security Deposits - held with 3rd Party Management	482,932
3419000	TOTAL SECURITY DEPOSITS HELD	482,932
3419900	OTHER LIABILITIES	
3420000	Prepay Tenant Rent	45,426
3421000	Prepay Tenant Rent - 3rd Party Management	38,920
3425000	Unearned Revenue	1,969,819
3430000	Current Portion of Long Term Debt - Capital Projects	9,949,098
3440000	Current Portion of Long Term Debt - Operating Borrowing	220,024
3449000	TOTAL OTHER LIABILITIES	12,223,286
3470000	INTERPROGRAM	
3470050	Interprogram (Due to)	6,833,152
3471000	Due To/Due From Suspense Account	(5,978)
3480000	TOTAL INTERPROGRAM	6,827,174
3499000	TOTAL CURRENT LIABILITIES	20,637,574
3500000	NON-CURRENT LIABILITIES	
3510100	Mortgage Loan Payable	15,177,312
3510130	Interest Payable - City of Alameda Loan	1,207,333
3510140	Home Fund Loan #1	207,070
3510143	$3.6M Housing Authority Loan Payable	75,738,653
3510150	Housing Community Dev. Loan	916,400
3510154	Housing Comm.- LEAD loan	1,605,000
3510157	Loan Payable - Esperanza	1,790,000
3510160	Home Fund Loan #2	282,700
3540000	Accrued Compensated Absences - Noncurrent	151,636
3570000	OPEB Liability	(128,123)
3580000	Pension Liability	2,684,075
3599000	TOTAL NON-CURRENT LIABILITIES	99,632,055
3999000	TOTAL LIABILITIES	120,269,629
4000000	Equity/Net Assets	
4000001	EQUITY	
4000100	DEFERRED INFLOW	
4001000	Deferred Inflow of Resources	20,887,565
4900000	TOTAL DEFERRED INFLOW	20,887,565

Balance Sheet (With Period Change) - AHA + AAHC ONLY

Period = Jul 2024-Sep 2024

Book = Accrual

		Balance
		Current Period
4999999	CONTRIBUTED CAPITAL	
5010000	Net Investment in Capital Assets	24,337,632
5090000	Unrestricted	105,711,283
5120000	Unrestricted	2,265,986
5120010	Net Restricted Assets	1,311
5950000	TOTAL CONTRIBUTED CAPITAL	132,316,211
5999900	TOTAL EQUITY	153,203,777
6000000	**TOTAL LIABILITIES AND EQUITY**	**273,473,406**

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Lee, Asst. Director of Finance

Date: November 20, 2024

Re: Accept the Quarterly Investment Report for the Period Ending September 30, 2024.

BACKGROUND

California Government Code Sections 53600 and 53646 requires that the Housing Authority Finance Director or Chief Financial Officer file a quarterly report with the Board of Commissioners on the status of all investments.

DISCUSSION

The quarter-end report reflects the investment of the Agency and affiliates. Agency investments are covered by the provisions of the Housing Authority's Investment Policy that is approved annually by the Board of Commissioners. This memorandum includes both the Housing Authority of the City of Alameda (AHA) and Island City Development's (ICD) investments.

FISCAL IMPACT

Local Area Investment Fund (LAIF) funds are on demand and can be used for immediate needs. Interest is posted quarterly to the account by LAIF and the 3 months of interest from July 2024 through September 2024 earned will be presented in the October 2024 LAIF statement.

California Asset Management Program (CAMP) funds are on-demand and can be used for immediate needs. Interest is posted monthly to the account by CAMP.

In July 2024, $3,000,000 was withdrawn from AHA-CAMP to fund the AHA to Estuary 1 cash loan. Conversely, in September 2024, $3,000,000 was deposited back into AHA-CAMP's account from Alameda Affordable Housing Corporation (AAHC) residual receipts.

During the quarter, $3,000,000 of ICD cash, which were primarily The Poplar loan proceeds from AHA, were transferred to ICD-CAMP for higher yield interest earnings until drawn upon.

Investment changes for the quarter ending September 30, 2024 are:

Activity	AHA-LAIF	AHA-CAMP	ICD-CAMP
Beg. Balance - June 30, 2024	$12,332,877	$5,054,013	$15
Interest Income	139,151	40,315	2,081
Deposits	-	3,000,000	3,000,000
Withdrawals	-	(3,000,000)	-
Ending Balance - September 30, 2024	**$12,472,028**	**$5,094,328**	**$3,002,096**

AHA's ordinary expenditure requirements for the next six months are more than sufficiently covered by two sources, namely: (1) anticipated revenues, grants, and subsidies, and (2) liquidity of current investments. All investment actions executed since the last report have been made in full compliance with the Investment Policy. The revised Investment Policy was approved by the Board of Commissioners in January 2024. The Executive Director and Chief Financial Officer will maintain a complete and timely record of all investment transactions.

CEQA

Not applicable.

RECOMMENDATION

Accept the Quarterly Investment Report for the period ending September 30, 2024.

ATTACHMENTS

1. LAIF Statement for quarter ending September 30, 2024 - AHA
2. CAMP Statement for month ending September 30, 2024 - AHA
3. CAMP Statement for month ending September 30, 2024 - ICD

Respectfully submitted,

Janet Lee, Asst. Director of Finance

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 02, 2024

LAIF Home
PMIA Average Monthly Yields

ALAMEDA HOUSING AUTHORITY

EXECUTIVE DIRECTOR
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

Tran Type Definitions

September 2024 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,472,028.74
Total Withdrawal:	0.00	Ending Balance:	12,472,028.74

Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

Housing Authority of the City of Alameda (AHA)

For the Month Ending
September 30, 2024

Client Management Team

Monique Spyke
Managing Director
1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270
spykem@pfmam.com

Rachael Miller
Client Consultant
213 Market Street
Harrisburg, PA 17101-2141
1-800-729-7665
millerr@pfmam.com

Contents

Accounts included in Statement

Housing Authority of the City of Alameda (AHA)

Important Messages

CAMP will be closed on 10/14/2024 for Columbus Day.
CAMP will be closed on 11/11/2024 for Veterans Day.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA (AHA)
VANESSA COOPER
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

Online Access www.camponline.com **Customer Service** 1-800-729-7665

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

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Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address https://www.finra.org/investors/investor-contacts. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

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Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally $1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Average maturity represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally $1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

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Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

In August 2024, PFMAM converted its portfolio accounting system from FIS Investment Accounting Manager to SS&C PORTIA. The new system has recalculated the amortized cost and yield to maturity at cost of each security, based upon original cost and settlement date. Some securities, including some factored securities and previously exchanged securities, are now on a modified amortization schedule as compared with that of the past. Where transfers have occurred between your portfolios we have returned their settlement dates to the settlement dates of the original purchases in order to minimize any impact to their amortization schedules.

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PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED **NO BANK GUARANTEE** **MAY LOSE VALUE**

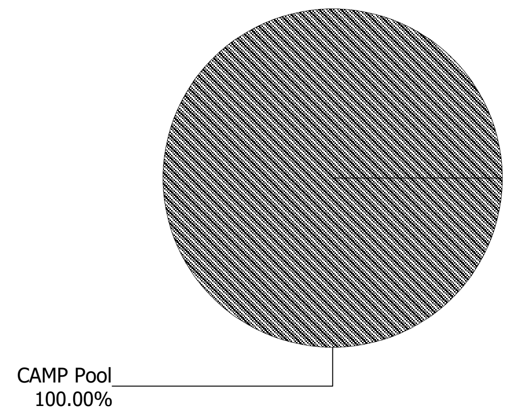
Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA)

CAMP Pool	
Opening Market Value	2,083,216.65
Purchases	3,011,111.01
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$5,094,327.66**
Cash Dividends and Income	11,111.01

Asset Summary

	September 30, 2024	August 31, 2024
CAMP Pool	5,094,327.66	2,083,216.65
Total	**$5,094,327.66**	**$2,083,216.65**

Asset Allocation



Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA)

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**2,083,216.65**
09/26/24	09/26/24	Purchase - Incoming Wires	1.00	3,000,000.00	5,083,216.65
09/30/24	10/01/24	Accrual Income Div Reinvestment - Distributions	1.00	11,111.01	5,094,327.66
Closing Balance					**5,094,327.66**

	Month of September	Fiscal YTD July-September
Opening Balance	2,083,216.65	5,054,013.10
Purchases	3,011,111.01	3,040,314.56
Redemptions (Excl. Checks)	0.00	(3,000,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**5,094,327.66**	**5,094,327.66**
Cash Dividends and Income	11,111.01	40,314.56

Closing Balance	5,094,327.66
Average Monthly Balance	2,583,587.02
Monthly Distribution Yield	5.29%

Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

Island City Development

For the Month Ending
September 30, 2024

Client Management Team

Jeremy King
Key Account Manager
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723
kingj@pfmam.com

Rachael Miller
Client Consultant
213 Market Street
Harrisburg, PA 17101-2141
1-855-678-5447 (1-855-OST-LGIP)
millerr@pfmam.com

Contents

Accounts included in Statement

Island City Development

Important Messages

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ISLAND CITY DEVELOPMENT
VANESSA COOPER
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

Online Access www.camponline.com **Customer Service** 1-800-729-7665

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PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

Account Statement - Transaction Summary

Island City Development - Island City Development

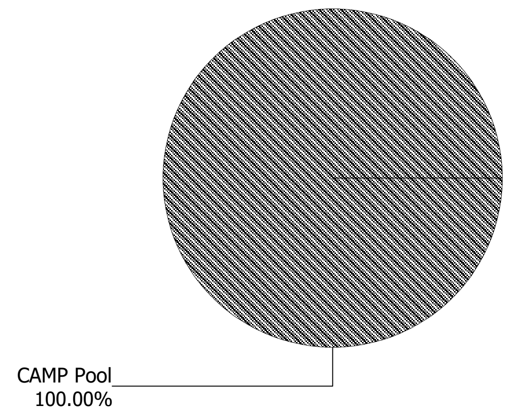
CAMP Pool

Opening Market Value	15.32
Purchases	3,002,081.05
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$3,002,096.37**
Cash Dividends and Income	2,081.05

Asset Summary

	September 30, 2024	August 31, 2024
CAMP Pool	3,002,096.37	15.32
Total	**$3,002,096.37**	**$15.32**

Asset Allocation



Island City Development - Island City Development

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**15.32**
09/26/24	09/26/24	Purchase - Incoming Wires	1.00	3,000,000.00	3,000,015.32
09/30/24	10/01/24	Accrual Income Div Reinvestment - Distributions	1.00	2,081.05	3,002,096.37
Closing Balance					**3,002,096.37**

	Month of September	Fiscal YTD January-September
Opening Balance	15.32	14.77
Purchases	3,002,081.05	3,002,081.60
Redemptions (Excl. Checks)	0.00	0.00
Check Disbursements	0.00	0.00
Closing Balance	**3,002,096.37**	**3,002,096.37**
Cash Dividends and Income	2,081.05	2,081.60

Closing Balance	3,002,096.37
Average Monthly Balance	500,084.69
Monthly Distribution Yield	5.29%

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Greg Kats, Director of Administrative Services

Date: November 20, 2024

Re: Authorize the Executive Director to execute the second amendment to the agreement with Techordia, LLC. for security camera management services.

BACKGROUND

In February 2023, AHA staff issued an RFP for qualified technology consultants. Techordia, LLC., was selected through that RFP process and AHA entered into an agreement to begin providing technology consultant services in May 2023. The annual amount of $250,000 was projected to be a sufficient amount to cover an initial period of three years, for a total not-to-exceed amount of $750,000, to provide services including user setup and support, vendor liaison services, physical and virtual server maintenance and support, as well as firewall and network management. Additional services are now required for the administration and management of surveillance systems at AHA-owned properties.

DISCUSSION

Since the execution of the original agreement, additional support has been needed for the management of the surveillance equipment at both the main office, as well as the additional AHA-owned properties. The first amendment to this agreement included the addition of the administration and monitoring of the Coram AI Management system in the scope of services, which included the installation of twelve new cameras at AHA's main office. The amendment also included changes to the fee schedule, to reflect the additional tasks associated with the administration and monitoring of the system. The second amendment to this agreement also proposes additional tasks to be added to the scope of services related to the administration and management of the surveillance systems and an updated fee schedule to reflect the additional responsibilities. These tasks include surveillance management services for the following properties: 701 Atlantic Ave., 2217 South Shore Center, Suite #250, Anne B. Diament Plaza 920 Park Street, Independence Plaza 703 Atlantic Ave., Esperanza Center 1903 3rd St., Eagle Village 2615 Eagle Ave., Rosefield Village 727 Buena Vista Ave., Everett Commons 2437 Eagle Ave., and Littlejohn Commons 1301 Buena Vista Ave.

FISCAL IMPACT
There is no anticipated adverse financial impact as these services are included in the annual budget.

CEQA
Not applicable.

RECOMMENDATION
Authorize the Executive Director to execute the second amendment to the agreement with Techordia, LLC. for security camera management services.

ATTACHMENTS
1. Amendment 2 - Techordia Consultant Services

Respectfully submitted,

Gregory Kats

Greg Kats, Director of Administrative Services

SECOND AMENDMENT TO AGREEMENT

This Amendment of the Agreement, entered into this 21st day of November, 2024, by and between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic (hereinafter referred to as "AHA") and Techordia, LLC. (a California corporation) whose address is 883 Island Drive Suite 212, Alameda, CA 94502 (hereinafter referred to as "CONTRACTOR") is made with reference to the following:

RECITALS:

A. On May 9, 2023, an agreement was entered into by and between AHA and Contractor (hereinafter "Agreement").

B. On July 22, 2024 the Agreement between AHA and Contractor was amended to replace Exhibit A of the Original Agreement with Exhibit A-1 to the first amendment to reflect additional tasks included in the Scope of the Services. Exhibit B to the Original Agreement was also replaced with Exhibit B-1 to reflect additional fees.

AHA and Contractor desire to modify the Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, it is mutually agreed by and between and undersigned parties as follows:

1. Exhibit A-1 to the first amendment has been replaced with Exhibit A-2 within this amendment to reflect additional tasks included in the Scope of Services.

2. Exhibit B-1 to first amendment has been replaced with Exhibit B-2 within this amendment to reflect additional fees.

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Agreement to be executed on the day and year first above written.

Techordia, LLC.	Housing Authority of the City of Alameda
________________________	________________________
Wilson Lee Owner	Vanessa Cooper Executive Director
	________________________
	Greg Kats Director of Administrative Services

EXHIBIT A-2

SCOPE OF SERVICES

Techordia will provide the following for managed services support:

• Support Specialist – Client lead liaison to provide daily support for the client.
• Director of Operations – Oversees overall operation and higher-level support with IT Consultant
• CTO – Oversee general operational guidance and provide higher expertise support with Director of Operations.
• Techordia Team – Provide overflow support as needed.

Managed Services:

- **Technical Audits and Asset Inventory**
  - Evaluate, audit, and report managed services computers for performance and industry standard security issues.
  - Document managed services computers' hardware and software, as well as cameras and related hardware and software.
- **Backup Administration & Monitor (User Computers)**
  - Techordia will use our best effort to support the existing backup solution for up to 6 months, while your TAM works with you to implement a backup solution that is in line with Techordia's best practices. If the AHA chooses to use an alternative backup product beyond 6 months, it will only be supported on a Time & Material basis and will not be included under the scope of this agreement. Under no circumstance can Techordia assure or guarantee the functionality of a third-party backup product. The goal of Techordia backup standards is to decrease the frequency of failure and increase the odds of successful recovery when needed.
- **Managed Anti-Virus and Security**
  - Anti-virus software included on supported managed services computers.
- **Microsoft Patch Management (Windows Computers)**
  - Configure Windows computers to report to Techordia's patching server for patch management and schedule for Windows updates installation.
- **Scheduled Machine Remote Maintenance**
  - Managed services computers will be scheduled for software updates and maintenance.
- **User Account Administration**
  - Prepare computer for user addition (new hire) and deletion (user termination).
  - New hire set-up requires 3 business days advanced notification. Expedited new hire setup is at least a 3-hour Time and Material billable fee.
- **Annual Technology Plan**
  - Review and discuss technology, security, and policy roadmap up to two times per year.
- **Business Continuity Planning**
  - Discuss business continuity planning up to two times per year.
- **24x7 Support**
  - Server, network, and helpdesk support during Techordia's business hours and after hours.

o Techordia will provide best effort support for business specific software applications, cloud services, and phone systems.

o Perform upgrade to managed services computers' RAM (memory) and Hard Drive/Solid State Drive.

o Techordia performing administration, maintenance, and support beyond first level for business specific software applications, servers, vendor services, cloud services, and phone systems will be billed at Time and Material hourly rates.

• **Computer Refresh**

o Computer refresh refers to a process of improving the performance of a computer by performing one or all the tasks listed below.

▪ Operating system (OS) re-installation. A valid OS product key is required.
▪ Application re-installation.
▪ Hardware additions and replacements such as memory and SSD.
▪ New computer order purchased from Techordia.

o Business and Enterprise plans qualify for Computer Refresh for existing "documented" computers at the time of contract signing and computers purchased through Techordia.

Helpdesk support examples:

• Helping end-users with their computer challenges
• Internet connectivity interruption
• LAN and WAN connectivity interruption
• First level application support
• How to questions
• Error messages
• Spam and other email problems
• Pop-ups & spyware
• Printing problems
• Microsoft Office questions
• Personal computer system/ laptop issues
• Mobile device problems (will not synchronize, stopped working, etc.)
• Remote connectivity issue (trouble with VPN, terminal service, etc.)

Coram AI Management:

For the property located at 701 Atlantic Ave.:

- **Equipment**
  - (1) Coram Point 64 Channel NVR and (12) 5MP Dome Cameras
- **Act as liaison between AHA and Coram AI for monitoring and maintenance.**
- **Provide Backup Administration & Monitoring (cameras)**

  - Techordia does not manage the backup solution for any Coram system. This is provided by the third-party vendor, Coram.
  - The Coram Point NVR server on premise has 6 months of internal storage on premise.
  - Coram support has enabled 6 months of cloud storage should something happen to the on-premises server.

- Coram's backup solution is native to their system and solution only and is why Techordia does not back up this server. This may change in the future.
- Techordia will act as liaison for all recovery request coming from the AHA team to Coram AI support.

- **All restoration of video footage can be requested for up to 6 months' time and no longer.**
  - **AHA team is to create the request to Techordia for the date and time of the requested footage. Techordia will create the ticket with Coram support and work with the AHA members to share a location to retrieve that footage request in the event we need to recover.**
  - AHA is responsible for the safekeeping of all camera footage and how it Is shared internally and externally. All applicable laws and regulations should be followed regarding the use and retention of camera footage.
- **Management of all warranty type returns**

  o Techordia shall inspect and return any devices / supplies / materials provided for the use with the system as appropriate and initiate a warranty return when applicable.

• **Provide downloads and sharing of data when requested**

O Upon request from the designated AHA staff member, Techordia will provide the requested video footage within the response time outlined in this document.

• **Support for the movement of cameras to capture correct angles and focus areas will be supported by Techordia when in person.**

• **Administer User Accounts**

o End user support on all devices for the use of the Coram system as requested by AHA.
o User account management and access will be administered in coordination with the assigned AHA staff member. This includes the installation and support of related programs and applications on identified and approved technology devices.

Response Time

• To respond to all inbound telephone calls holding in the Techordia Support queue usually within 5 minutes, during our hours of operation.
• To respond to all email or voicemail within 15 minutes, during our hours of operation.
• To respond to after-hours support calls within four hours.

Additional Surveillance Management:

Techordia will help manage camera systems for the purpose of enhancing security and surveillance on the premises of the addresses listed below for the Housing Authority of the City of Alameda. Techordia will take every precaution to ensure the proper maintenance and functioning of these systems. Techordia does not assume liability for the content of the camera footage or any consequences arising from its use or misuse.

Techordia is not liable for any loss, damage, or injury resulting from the use or misuse of camera footage. We do not guarantee the accuracy, completeness, or reliability of the camera footage.

Techordia is not liable for any of the networks where these surveillance systems are located as they are managed by another third-party IT vendor.

For the properties at:

1. 2217 South Shore Center #250
2. Anne B. Diament Plaza 920 Park Street
3. Independence Plaza 703 Atlantic Ave.
4. Esperanza Center 1903 3rd St. all located in Alameda, CA.

Techordia will manage the services listed below as a monthly service:

- Caring for the equipment in a "as is" state.
- Equipment includes current surveillance systems. ABD and IP being Arlo Security
- Cameras and Esperanza using Verkada Security Camera's for what is currently
- installed. Any additions will be considered a project and will be outside the
- covered monthly maintenance cost.
- Liaison between AHA and solution provider for maintenance, software updates
- and patches, performance optimization
- End user support on all devices
- Account management and access
- Special request for download and sharing of data when requested
- Support for down equipment
- Management of all warranty type returns

For the properties at:

1. Eagle Village 2615 Eagle Ave.
2. Rosefield Village 727 Buena Vista Ave.
3. Everett Commons 2437 Eagle Ave.
4. Littlejohn Commons 1301 Buena Vista Ave.

Techordia will manage the services listed below as a monthly service:

- Caring for the equipment in a "as is" state.
- Equipment includes current surveillance systems. EGL has the Alibi Vigilant system, Rosefield/ Everett utilizing Guarding Vision Security cameras and Littlejohn Commons utilizing Honeywell.
- Any additions will be considered a project and will be outside the covered monthly maintenance cost.
- Liaison between AHA and solution provider for maintenance, software updates and patches, performance optimization
- End user support on all devices
- Account management and access
- Support for down equipment
- Management of all warranty type returns

Services outside of this contract billed at T&M rates for Eagle Village, Rosefield Village, Everett Commons, and Littlejohn Commons specifically include:

- Camera footage will be collected by AHA staff unless specifically requested to be completed by Techordia staff. This will be billed at T&M rates.
- All site visits to manage the systems above will be billed on T&M rates.
- Request to download and share video footage will be billed on T&M rate.
- T&M rates onsite $175.00/hour during business hours

Services not covered under the managed coverage stated above shall be completed on a time and material basis completed through a separate project proposal for all properties listed as part of additional surveillance management.

Review and advise on new camera systems

- Provide information to inform solicitations related to camera system requirements based on best practices including capacity, resolution, installation requirements, and additional information as requested.
- Provide review of the technical aspects and approach of proposals for new camera systems.

New system installations

- Full System Design and Installation: Planning, installing, and configuring an entirely new surveillance system, including cameras, NVR/DVR, and network infrastructure.
- Cabling and Infrastructure Setup: Running new network cables (e.g., Ethernet, Power over Ethernet), installing conduits, or pulling fiber optic cables for large or multi-site installations.
- Mounting and Hardware Installation: Physical installation of camera mounts, brackets, and equipment housings, especially in difficult-to-access or outdoor locations.

Major System Upgrades

- System Overhaul: Upgrading an outdated surveillance system to a more modern one, involving the replacement of cameras, recording devices, or software platforms.
- Expansion of Existing System: Adding a significant number of new cameras, upgrading storage solutions, or expanding the network infrastructure to accommodate system growth.
- Upgrading to High-Resolution or AI-Based Cameras: Migrating from older cameras to newer, higher-resolution (e.g., 4K) or AI-integrated systems that may require additional hardware and software.

Cloud Migration Projects

- Cloud-Based Surveillance Migration: Moving from an on-premises surveillance system to a fully cloud-based solution, including data transfer, reconfiguration of cameras, and integration with cloud storage platforms.
- Hybrid Cloud Setup: Establishing a hybrid surveillance system where some footage is stored locally and some in the cloud for redundancy or scalability.

Custom Video Analytics and AI Integration

- Custom AI Implementation: Setting up custom artificial intelligence (AI) solutions for video analytics, such as facial recognition, object detection, license plate recognition, or advanced motion detection.
- Tailored Analytics Dashboards: Developing custom dashboards and reporting tools that offer business insights from video data (e.g., traffic patterns, heat maps).

Advanced Security Enhancements

- Custom Cybersecurity Setup for Surveillance Systems: Designing and implementing advanced security architecture for surveillance systems, including custom firewalls, VPN access, encryption protocols, and multifactor authentication (MFA).

- Penetration Testing and Hardening: Conducting a detailed penetration test of the surveillance network and implementing additional cybersecurity measures based on findings.

Multi-Site or Complex Location Installations

- Multi-Site Deployment: Installing and configuring surveillance systems for multiple office locations, factories, or warehouses, which requires significant logistical planning and coordination.
- Integration with Other Security Systems: Integrating the surveillance system with access control, alarm systems, or building management systems for seamless operation across multiple platforms.

Custom Compliance and Regulatory Solutions

- Custom Compliance Setup: Projects focused on bringing surveillance systems in line with stringent compliance requirements (e.g., GDPR, HIPAA, PCI-DSS) that involve detailed planning, reconfiguration, or additional storage policies.
- Audits and Reporting Tools: Setting up custom audit trails, reporting mechanisms, or access control systems to meet specific regulatory needs.

Disaster Recovery and Redundancy Projects

- Disaster Recovery Infrastructure Setup: Building or upgrading disaster recovery solutions, such as implementing off-site backups, redundant NVRs, and cloud storage to prevent data loss in case of system failure or disaster.
- Redundancy Architecture Design: Installing failover systems, redundant power supplies, or backup NVRs to ensure continuous recording even in the event of a hardware or network failure.

Third-Party System Integration

- Integration with Business Systems: Connecting surveillance systems with third party systems such as point-of-sale (POS), customer relationship management (CRM), or inventory management systems for business intelligence and operational insights.
- API Development for Custom Solutions: Developing custom APIs or middleware to enable data-sharing between the surveillance system and other business critical applications.

Large-Scale Storage and Archiving Projects

- Custom Storage Solutions: Implementing large-scale storage for video footage retention beyond what is typically covered, such as long-term archival for legal purposes or high-volume data centers.
- Custom Data Retention Policies: Developing and deploying bespoke data retention strategies for AHA when unique storage solutions beyond standard configurations are required.

Relocation of Surveillance Systems

- System Relocation and Reinstallation: If a business moves to a new location, removing, relocating, and reinstalling the surveillance system at the new site typically requires a separate project proposal.
- Infrastructure Rebuilding: Reconfiguring the system to fit the new physical layout, which may involve new cabling, mounting, and camera positioning.

It is the responsibility of the Housing Authority of the City of Alameda (AHA) for the safekeeping and use of the camera footage and how this footage is shared, as well as follow all applicable laws and regulations regarding the use and retention of camera footage.

Surveillance System Management Additional Considerations and Disclaimers:

<u>System Limitations</u>

- 100% uptime or uninterrupted access to surveillance footage is not guaranteed, as system performance can be affected by factors outside of our control, such as internet outages, power failures, or third-party software issues.
- AHA acknowledges that there are inherent limitations in terms of camera coverage, image quality, and reliability with the current surveillance systems not managed by Techordia.
- Cameras are not managed in real time, unless specifically agreed upon in the service agreement. Any loss of footage, poor image quality, or camera blind spots are the responsibility of the AHA to address with appropriate system design and configuration, which may fall outside routine support.

<u>Footage Retention and Storage</u>

- The management services provided by the Contractor include the configuration of retention policies for recorded footage based on the parameters specified by AHA, but the Contractor is not responsible for any loss of footage due to storage capacity limits, accidental deletion, or system failures.
- AHA must notify the Contractor if specific legal or compliance requirements mandate particular storage or retention periods. Failure to do so may result in non-compliance which Contractor shall not be held liable.

<u>Third-Party Systems and Integrations</u>

- Where third-party hardware, software, or cloud services are involved in the operation of the surveillance system (e.g., NVRs, DVRs, storage devices, cloud platforms), Techordia cannot guarantee their performance, functionality, or security. Any issues arising from third-party systems must be addressed directly to the respective vendor or service provider.
- Integrations with other systems, such as access control, alarms, or business intelligence platforms, are performed based on vendor compatibility, and we cannot ensure complete interoperability.

<u>Privacy and Compliance</u>

- AHA is solely responsible for obtaining any necessary consent, signage, or legal documentation required to inform employees, customers, or visitors that they are being recorded, as well as for ensuring that the system complies with relevant privacy laws and surveillance regulations.
- The Contractor assumes no responsibility for legal disputes related to privacy, data protection, or misuse of the surveillance system by the AHA or any other third parties.

<u>Modifications and Customization</u>

- Any modifications, custom configurations, or additional requests for system adjustments must be communicated in writing and may result in additional charges. Unauthorized modifications to the system by the AHA or any third party may void the Contractor's responsibilities for support or system performance.

Incidents and Investigations

- In the event of an incident or investigation requiring footage retrieval or system analysis, Contractor will assist in accordance with the terms of our service agreement. However, the Contractor cannot guarantee the availability, quality, or completeness of the footage for any specific event.
- AHA is responsible for requesting footage or system reports in a timely manner, and delays in retrieval may affect the outcome of investigations.

Termination of Services

- Upon termination of surveillance system management services, the Contractor will no longer be responsible for monitoring, maintaining, or securing the system. It is AHA's responsibility to ensure that any remaining footage is securely stored and that ongoing system operations are managed appropriately.

EXHIBIT B-2
FEE SCHEDULE

Managed Services "Fixed Fee"

Techordia calculates the fixed monthly fee at the beginning of each month based on the number of users under management services in arrears (as determined via the client's directory, such as Microsoft Active Directory) or client support ticket, email, or telephone for user additions and deletions.

- **Includes anti-virus software for up to two computers per user using Webroot SecureAnywhere**
  - **AHA currently pays $1,859.65 annually (~$154.97/month)**
- **Includes server and network monitoring using ConnectWise Automate**
  - **AHA currently pays $645.00/month**
- **Includes desktop monitoring using ConnectWise RMM**
- **5% annual rate increase**

Managed Services Cost

Service	Pricing	Notes	Total
Users	$150.00/mo per user	Per User	$6,750.00
Vendor Services	$50.00/mo	Per 10 Users (ie 60 users is 6 units, 61 users is 7 units)	$1,550.00
Physical Server	$750.00/mo		$2,250.00
Virtual Server	$750.00/mo		$4,500.00
Firewall	$150.00/mo		$600.00
Network	$50.00/mo		$1,500.00

Managed Services Unit Cost

Location	Item	Description	Users	Vendor	Physical	Virtual	Firewall	Network	
Users	Users	Employees	45						
Vendor Services	AT&T Voice - ABD	AT&T Voice		1					
	JumpCloud	JumpCloud for RADIUS VPN MFA		4					
	Microsoft 365	Microsoft 365		6					
	RingCentral	RingCentral VoIP		6					
	T-Mobile	T-Mobile Mobile Service		5					
	Zix	Zix Email Encryption		6					
	Zix File Share	Zix File Share		3					
HQ	AHALF1	LaserFiche Server				1			
	AHAFILE1	File Server				1			
	AHADC1	Domain Controller				1			
	AHADC2	Domain Controller				1			
	AHASMTP1	SMTP Relay Servers				1			
	AHAWEB1	Web Server				1			
	AHAESXI1	VMware ESXi Host Server			1				
	AHAESXI2	VMware ESXi Host Server			1				
	AHAVC1	VMware vCenter Server						1	
	AHAPCNS1	APC PowerChute Network Shutdown Server						1	
	APCUPS1	APC Smart-UPS X3000						1	
	APCUPS2	APC Smart-UPS 1400						1	
	APCUPS3	Tripp Lite SmartOnline (SU2200RTXL3Ua)						1	
	AHASWA1	Ubiquiti UniFi Switch 48 500W POE						1	
	AHASWA2	Ubiquiti UniFi Switch 48 500W POE						1	
	AHASWA3	Ubiquiti UniFi Switch 8 60W POE (Vanessa Cooper)						1	
	AHAVMSW1	Dell PowerConnect 6224 Switch						1	
	AHANAS1	Synology ix2-dl NAS						1	
	AHASAN1	Dell EMC VNXe1600			1				
	AHAAP1	Ubiquiti UniFi AP AC Pro						1	
	AHAAP2	Ubiquiti UniFi AP AC Pro						1	
	AHAAP3	Ubiquiti UniFi AP AC Pro						1	
	AHACK1	Ubiquiti UniFi Cloud Key G2 Plus						1	
	SonicWall TZ400	SonicWall TZ400					1		
	AHAIPKVM1	Tripp Lite NetDirector B022-U08-IP						1	
	AHAPDU1	Digital Loggers Ethernet Power Controller 6						1	
	AHAPDU2	Digital Loggers Ethernet Power Controller 6						1	
	AHASWV1 (Top)	Dell Networking N4032F						1	
	AHASWV1 (Bottom)	Dell Networking N4032F						1	
	Arlo Security Camera System	Arlo Security Camera System						1	
SSC	SonicWall TZ400	SonicWall TZ400					1		
	Arlo Security Camera System	Arlo Security Camera System						1	
	SSCAP1	Ubiquiti UniFi AP AC Pro						1	
	SSCAP2	Ubiquiti UniFi AP AC Pro						1	
	SSCAP3	Ubiquiti UniFi BeaconHD						1	
	SSCPDU1	Digital Loggers Web Power Switch Pro v9						1	
	SSCSWA1	Ubiquiti UniFi Switch 8 60W POE						1	
Eagle	SonicWall TZ300	SonicWall TZ210					1		
	EGL-SWA1	Ubiquiti UniFi Switch 8 Lite PoE						1	
ABD	SonicWall SOHO	SonicWall SOHO					1		
	ABDSWA1	Ubiquiti UniFi Switch 8 60W POE						1	
	ABDAP1	Ubiquiti UniFi AP AC Pro						1	
	ABDAP2	Ubiquiti UniFi AP AC Pro						1	
		Total Units	45	31	3	6	4	30	Monthly Total
		Monthly Unit Cost	$150.00	$50.00	$750.00	$750.00	$150.00	$50.00	$17,150.00
		Monthly Category Cost	$6,750.00	$1,550.00	$2,250.00	$4,500.00	$600.00	$1,500.00	

Surveillance Management Fee Schedules

Item	Qty	Unit Price	Unit Total
Coram AI management - Addition to managed service unit cost Exhibit B • Location - 701 Atlantic Ave, Alameda, CA 94501 • Equipment includes (1) Coram Point 64 Channel NVR and (12) 5MP Dome Cameras • Liaison between AHA and Coram AI for monitoring and maintenance, software updates and patches, performance optimization, Data backup and recovery verifications • End user support on all devices • Account management and access • Special request for download and sharing of data when requested • 24/7 oncall support for down equipment • Management of all warranty type returns. • Request for movement of focus area	1	$375.00	$375.00
*Shipping amount in proposal is an estimate. Exact shipping will be shown on invoice.		Taxable	$0.00
		Non-Taxable	$375.00
		Sub-Total	$375.00
		Tax (10.75%)	$0.00
		Shipping*	
		Labor	$0.00
		Total	$375.00

Item	Qty	Unit Price	Unit Total
Surveillance management - Addition to managed service unit cost Exhibit B • Location: South Shore Center 2217 South Shore Center #250, Anne B. Diament Plaza 920 Park Street, Independence Plaza 703 Atlantic Avenue, and Esperanza Center 1903 3rd Street • Equipment includes current surveillance systems. ABD and IP being Arlo Security Cameras and Esperanza using Verkada Security Camera's. • Liaison between AHA and solution provider for maintenance, software updates and patches, performance optimization • End user support on all devices • Account management and access • Special request for download and sharing of data when requested • Support for down equipment • Management of all warranty type returns	4	$375.00	$1,500.00
*Shipping amount in proposal is an estimate. Exact shipping will be shown on invoice.		Taxable	$0.00
		Non-Taxable	$1,500.00
		Sub-Total	$1,500.00
		Tax (10.75%)	$0.00
		Shipping*	
		Labor	$0.00
		Total	$1,500.00

Item	Qty	Unit Price	Unit Total
Surveillance management - Addition to managed service unit cost Exhibit B • Location - Eagle location 2615 Eagle Avenue, Rosefield Village 727 Buena Vista Ave, Everett Commons 2437 Eagle Ave and Littlejohn Commons 1301 Buena Vista Ave all Alameda California • Equipment includes current surveillance systems. EGL having Alibi Vigilant, Rosefield/Everett being Guarding Vision Security Cameras and Littlejohn Commons being Honeywell. • Liaison between AHA and solution provider for maintenance, software updates and patches, performance optimization • End user support on all devices • Account management and access • Support for down equipment • Management of all warranty type returns	4	$375.00	$1,500.00
Request for camera footage (Billed at T&M rate) • All site visits to manage the systems above will be billed on T&M rates • Request to download and share video footage will be billed on T&M rates • T&M rates onsite $175.00/hr during business hours	0	$0.00	$0.00
*Shipping amount in proposal is an estimate. Exact shipping will be shown on invoice.		Taxable	$0.00
		Non-Taxable	$1,500.00
		Sub-Total	$1,500.00
		Tax (10.75%)	$0.00
		Shipping*	
		Labor	$0.00
		Total	$1,500.00

Guidelines and Limitations

Some support and services are not covered under managed services.

Billable work can include:

• Discovery and development of project estimates.
• Time to specify parts not purchased through us.
• Meetings, planning, and equipment relocation, deinstallation and installation for office relocation.
• Labor for projects not included as part of "Managed Services."
• Upgrades to IT infrastructure not related to daily server or server application maintenance or end user support.
• Major server software upgrades.
• Home visits and home systems.
• Travel cost over 35 miles from Techordia's office at ½ onsite support hourly rates.

Time and Materials Hourly Rates

Business Hours

Remote Support - $150.00/hr
Onsite Support - $175.00/hr

After Hours

Remote Support - $175.00/hr
Onsite Support - $200.00/hr

Support Request Submissions

User are encouraged to submit requests to Techordia's ticketing system. Users may also contact Techordia's support phone line.

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Nancy Gerardin, Director of Property Operations

Date: November 20, 2024

Re: Approve the Quarterly Write-off to September 30, 2024 of Uncollectible Accounts Receivable from Former Residents.

BACKGROUND

Periodically, the Housing Authority of the City of Alameda (AHA) or its affiliates, Alameda Affordable Housing Corporation (AAHC) and Island City Development (ICD), write-off uncollectible rent and miscellaneous charges from its resident ledgers. The term "write-off" indicates a procedure where past due amounts from residents, who are no longer residents in an AHA, AAHC, or ICD community, are removed from the resident ledgers after the usual means of collection have been exhausted. This procedure does not preclude the AHA, AAHC, or ICD from continuing to pursue collection through a collection agency or other legal actions. Future collection of amounts previously written-off will reduce these expenses.

DISCUSSION

This request is to write-off accounts receivable for residents who have voluntarily vacated, passed, or were evicted and had outstanding balances due to the AAHC, AHA, and ICD. A final notice will be sent to the respective resident(s) before the outstanding balance is written off. The total amount to be written off is $158,024.38 and presented in the attachment to this memorandum. This amount is a combination of past rents due, late fees, damages, and miscellaneous maintenance charges.

FISCAL IMPACT

This resident account write-off will result in an expense to the Alameda Affordable Housing Corporation of $85,263.00, the Housing Authority of the City of Alameda of $1,188.02, and Island City Development of $71,573.36.

CEQA

N/A

RECOMMENDATION

Approve the Quarterly Write-off to September 30, 2024 of Uncollectible Accounts Receivable from Former Residents.

ATTACHMENTS

1. BOC Attachment Item 10.R Q3 2024 Write Off10312024v2

Respectfully submitted,

Nancy Gerardin, Director of Property Operations

Legal Entity	Property Name	Reason for Move Out	Move Out Date	Amount of Bad Debt per reconciliation
AAHC	Esperanza Apartments	Relocating	9/23/2024	$31,313.00
AAHC	Parrot Village	Eviction	7/10/2024	$17,832.00
AAHC	Parrot Village	Eviction	9/9/2024	$11,718.00
AAHC	Independence Plaza	Death	7/31/2024	$5.00
AAHC	Independence Plaza	Transfer	4/25/2023	$18.00
AAHC	Independence Plaza	Non Compliance	9/16/2024	$4,686.00
AAHC	Anne B. Diament	Eviction	7/17/2024	$19,691.00
			TOTAL AAHC	**$85,263.00**
ICD	Everett Commons	Eviction	4/23/2024	$14,439.00
ICD	Rosefield Village	Eviction	5/15/20204	$33,318.00
ICD	Rosefield Village	Eviction	8/27/2024	$22,901.00
ICD	Rosefield Village	Personal	8/6/2024	$915.36
			TOTAL ICD	**$71,573.36**
AHA	Scattered Site	Relocating	7/15/2024	$1,188.02
			TOTAL AHA	**$1,188.02**
			TOTAL	**$158,024.38**

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
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TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Shanon Lampkins, Director of Asset Management
Date:	November 20, 2024
Re:	Approve the 2023-24 Housing Successor Agency Report.

BACKGROUND

On January 4, 2013, the Housing Authority of the City of Alameda (AHA) became the Housing Successor for the Low Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC). In October 2013, California Senate Bill 341 was signed into law and this legislation established new reporting requirements for Successor Agencies. The reporting period corresponds to AHA's fiscal year. This annual report covers the period July 1, 2023 through June 30, 2024.

DISCUSSION

As a condition of becoming the Housing Successor, AHA received cash and notes receivable owned by the prior CIC. The cash assets are held in a separate account, called the Low Moderate Income Housing Asset Fund (LMIHAF). The beginning and ending account balances of the LMIHAF are included within AHA's consolidated Annual Financial Audit Report. Each Housing Successor is allowed to utilize up to $200,000 annually for administrative expenses including salary, professional services, and overhead costs. As part of the five-year reporting requirement, future allocations of funds must be restricted to units serving households at 30% of area median income or lower.

The attached Low Moderate Income Housing Asset Fund Report for the year ending June 30, 2024, is hereby submitted to the Board of Commissioners. After approval, the report will be posted on AHA's website, as required, by December 31st of every year.

FISCAL IMPACT

None, this is a reporting task only.

CEQA

Not Applicable

RECOMMENDATION
Approve the 2023-24 Housing Successor Agency Report.

ATTACHMENTS
1. Low and Moderate Income Housing Asset Fund Report_2023-24 FINAL

Respectfully submitted,

Shanon Lampkins, Director of Asset Management

Housing Authority of the City of Alameda

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Low Moderate Income Housing Asset Fund Report
Fiscal Year 2023-24

Introduction

The Housing Authority of the City of Alameda became the Housing Successor for the Low Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC) on January 5, 2012 per City of Alameda Resolution No. 14643. The CIC had previously been Alameda's redevelopment agency, until state law dissolved Redevelopment Agencies (RDAs) in 2012.

The Successor Agency Dissolution Act provided instructions for how redevelopment agency successors can utilize assets and set forth reporting requirements for annual and five-year reports to the state. The purpose of this report is to provide the governing body of the Housing Successor with an annual report on the housing assets and activities of the Housing Successor, in compliance with California Health and Safety Code Sections 34176.1 (Dissolution Law). The reporting period corresponds to the Housing Authority's fiscal year. This annual report covers the period July 1, 2023 through June 30, 2024.

I. Amount Deposited into LMIHAF:

(1) The amount the city, county, or city and county received pursuant to Section 34191.4 (b)(3)(A).

(2) The amount deposited to the Low and Moderate Income Housing Asset Fund (LMIHAF), distinguishing between amounts deposited pursuant to 34191.4 (b)(3)(B & C). Amounts deposited for other items listed on the Recognized Obligations Payment Schedule, and other amounts deposited.

Deposits to the LMIHAF for FY 2023-24.

Deposits	
Principal payments (Shinsei Gardens)	$12,169
Interest payments	$0
Miscellaneous – Investment Income	$81,406
ROPS	$0
Total Amount Deposited	***$93,575***

II. Ending Balance in the LMIHAF:

A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

The ending balance on June 30, 2024 of the assets of the LMIHAF was $15,782,683, of which $0 was held for items listed on the ROPS.

III. Description of Expenditures from the LMIHAF:

A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2 & 3) of subdivision (a).

Expenditures made during the fiscal year 2023-24 from the LMIHAF.

Total LMIHAF Expenditures	
Monitoring and Administration	$104,759
Housing Development Expenditures	$
Total Expenditures for LMIHAF	***$104,759***

IV. Statutory Value of Assets Owned by Housing Successor:

As described in 34191.1 (a)(1), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

The chart(s) below reflect the statutory value of assets and notes held by the Housing Successor.

Value of Assets Owned by Housing Successor	
Loans/Notes Receivable	
Shinsei Gardens LP Loan	$1,249,652
Satellite Housing Loan (Jack Capon LP)	$1,400,000
Jack Capon Villa LP Loan	$201,067
Stargell Commons LP Loan	$2,000,000
Breakers at Bayport LP Loan	$1,408,790
Alameda Islander LP Loan	$8,600,000
Moore Loan	$31,800
Nebeker Loan	$31,800
Tamiko Loan	$23,600
Total Loans/Notes Receivable	***$14,946,709***

V. Description of Transfers

A description of any transfers made pursuant to 34191.1(c)(2) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during fiscal year 2023-24.

VI. Project Descriptions

A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

The Housing Successor did not receive or hold property tax revenue pursuant to the ROPS for any of the Housing projects during fiscal year 2023-24.

VII Status of Compliance

For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

No real property was transferred to the Housing Successor.

VIII. Description of Outstanding Obligations

A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

According to the Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. Extremely Low-Income Test

This section provides the information required by Section 34191.1(a)(3)(B), or a description of expenditures by income restriction for five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI.

The table below reflects the sixteen-year period reviewed between July 1, 2008 and June 30, 2024.

Extremely Low-Income Test: 2012-2024	
Amount spent on units restricted at 30% AMI	$0
All Affordable Loans	$14,946,709
Statutory test met?	No

If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

X. Senior Housing Test

The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

The table below reflects the sixteen-year period reviewed between July 1, 2008 and June 30, 2024.

Senior Housing Test	# of Units
Assisted Senior Rental Units	30
Total Assisted Rental Units	165
Senior Housing Test (%)	***18%***

XI. Excess Surplus Test

The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

The excess surplus as of June 30, 2024 is $0.

XII. An Inventory of Homeownership Units

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from *the Low and Moderate Income Housing Fund pursuant to 33334.3(f). This inventory shall include all of the following information:*

a) The number of those units.
b) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.
c) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.
d) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

No homeownership units were transferred to the Housing Successor.

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Sepideh Kiumarsi, Management Analyst
Date:	November 20, 2024
Re:	Approve changes to the Administrative Plan to implement the approved Moving To Work (MTW) activities and other procedural updates.

BACKGROUND

The Administrative Plan for the Housing Choice Voucher Program (HCV) for the Housing Authority of the City of Alameda (AHA) establishes the policies and procedures whereby AHA will administer HCV tenant-based and project-based rental assistance programs under contract to Department of Housing and Urban Development (HUD) and in accordance with applicable statutes, HUD regulations, and state and local law.

On September 18, 2024, the Board of Commissioners adopted the AHA's Significant Amendment to the Annual Plan for the Fiscal Year starting July 1, 2024. On October 18, 2024, the AHA received an approval letter from the HUD San Francisco Field Office for the AHA's Amended PHA Plan for the Fiscal Year beginning July 1, 2024.

In 2016, Congress approved the Housing Opportunity Through Modernization Act (HOTMA) which required many changes to the HCV program. The HOTMA regulations have been released by HUD in batches ever since. As such, some components have already been enacted, others will be enacted in 2024, and there are still upcoming changes that will be effective in 2025 or later. Accordingly, the AHA will bring the Administrative Plan to the Board of Commissioners per the release of each subsequent HOTMA policy change.

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program is a special purpose voucher program administered in partnership between HUD and the U.S. Department of Veterans Affairs (VA). HUD-VASH enables homeless veterans and their families to use a voucher to access safe, affordable housing while also receiving an array of VA services. HUD-VASH vouchers are administered locally by public housing agencies (PHAs). VA provides the referrals and case management and supportive services for participating veterans through VA medical facilities (using VA or contract staff), or through other VA designated service providers (DSPs) – generally referred to as “VA” or “VA Medical Center” (VAMC). HUD waivers and alternative requirements, that differ from regular program requirements, are established in the HUD-VASH Operating Requirements. The HUD-VASH Operating Requirements were originally published in the Federal Register on May 6, 2008. Subsequent updates were made on March 23, 2012, September 27, 2021, and most recently on August 13, 2024.

DISCUSSION

Chapters 4 and 6 of the Administrative Plan are being revised to incorporate changes to the waiting list policy and payment standard policy from the approved Significant Amendment to the Annual Plan for Fiscal Year Starting July 1, 2024.

Chapter 6 was also revised to comply with new requirements under 24 CFR 982.505 that go into effect on December 3, 2024 as part of the HOTMA regulations released on May 7, 2024.

Revisions to chapters 6, 7, 10 and 11 of this Administrative Plan revision remove language regarding the Earned Income Disallowance (EID) program. Under the HOTMA regulations that went into effect on January 1, 2024, the Earned Income Disallowance (EID) program will not apply to any family who is not eligible for and already participating in EID as of December 31, 2023. The last participant participating in the EID program finished on August 1, 2024 and since there are no more individuals in this sunsetted program, the AHA is removing language regarding EID.

Chapter 18 of the Administrative Plan is being revised to update the AHA's HUD-VASH policies in order to comply with the updated Operating Requirements effective August 13, 2024.

In Chapter 19 of this revision the AHA has updated its payment standards for the Emergency Housing Voucher (EHV) program for payment standards effective November 2, 2024.

The AHA is also revising the 24-hour heater fail requirements in Chapter 8 of the Administrative Plan to resemble the NSPIRE requirements which the AHA will have to comply with next year.

Lastly, in this revision the AHA has updated the table of contents so that links correctly direct readers to the appropriate pages of the Administrative Plan given all the new changes.

FISCAL IMPACT

Not Applicable.

CEQA

Not Applicable.

RECOMMENDATION
Approve changes to the Administrative Plan to implement the approved Moving To Work activities and other procedural updates.

ATTACHMENTS
1. Attachment A - Table of Contents
2. Attachment B - Chapter 4
3. Attachment C - Chapters 6, 7, and 8
4. Attachment D - Chapters 10 and 11
5. Attachment E - Chapters 18 and 19

Respectfully submitted,

Sepideh Kiumarsi

Sepideh Kiumarsi, Management Analyst

ADMINISTRATIVE PLAN

FOR THE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

OF

THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Approved by the Housing Commission: May 18, 2005

Submitted to HUD: May 23, 2005

Last Revised: ~~October 16~~November 20, 2024

ADMINISTRATIVE PLAN – TABLE OF CONTENTS

CHAPTER 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive Section 8 HCV assistance including Project-Based Voucher assistance (see Chapter 16 for more information), the family must submit an application that provides the AHA with the information needed to determine the family's eligibility. HUD requires the AHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the AHA must select families from the waiting list in accordance with HUD requirements and AHA policies as stated in the administrative plan and the annual plan.

The AHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the AHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the AHA affirmatively furthers fair housing goals in the administration of the program [24 CFR 982.53]. Adherence to the selection policies described in this chapter ensures that the AHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and AHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

<u>Part I: The Application Process</u>. This part provides an overview of the application process and discusses how applicants can obtain and submit applications. It also specifies how the AHA will handle the applications it receives.

<u>Part II: Managing the Waiting List</u>. This part presents the policies that govern how the AHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the AHA will use to keep the waiting list current.

<u>Part III: Selection for HCV Assistance</u>. This part describes the policies that guide the AHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person or virtual interviews will be used to ensure that the AHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the AHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the AHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE

Notification of Actions

Any family that wishes to receive HCV assistance or to occupy a PBV unit must apply for admission to the program. HUD permits the AHA to determine the format and content of ~~HCV~~ its applications, as well as how such applications will be made available to interested families and how the AHA will accept applications.

Applications or pre-applications (collectively called applications) are taken to compile a waiting list. Due to the demand for housing in the Housing Authority's jurisdiction, the Housing Authority may take applications on an open enrollment basis, depending on the length of the waiting list. The Housing Authority also may choose to use a lottery system for adding only a specific number of Applicants to the waiting list. In all waiting list outreach efforts, the AHA will specify the application selection method in the outreach material and on the AHA web site.

The application constitutes the basic record of each Applicant for admission. Each Applicant is required to supply the information requested on the application form and to sign the application certifying the accuracy of the information provided. Applications missing one or more ~~of~~ required fields will not be considered complete and will not be placed on a waiting list.

Applicants may be advised that they can be placed on more than one of the AHA's waiting lists, which serve the AHA's tenant-based Housing Choice Voucher programs and Project-Based Voucher units. However, in many instances, the AHA will perform a random lottery for its waiting lists, and the family will be placed only on the waiting list(s) for which the family was randomly selected and not all waiting lists for which the family applied.

For targeted outreach efforts, if it has been determined that there is a specific need for Applicants for a specific program, or unit size/type, the waiting list may be opened only for Applicants to that program or unit size/type. Applications for any special program will only be accepted from those applicants that meet the criteria for the specific targeted population.

The Housing Authority will inform Applicants about available preferences when the Applicants receive applications and will give Applicants an opportunity to show that they qualify for available preferences. If an applicant submits an otherwise complete application but does not answer a question related to claiming a preference with an affirmative answer, that preference will not be applied. If the applicant later supplies a response or claims a preference, the applicant's record will be updated accordingly. The Housing Authority will not add preferences proactively~~, in other words,~~; the Housing Authority will not add a preference that a family has not claimed.

Applicants will be notified of the requirement to submit evidence of citizenship or eligible immigration status.

Completed applications will be accepted for all applicants and the Housing Authority will verify the information. The completed application will be date and time stamped upon its return to the Housing Authority to document when the AHA actually received the application if paper applications are accepted. Applications mailed to designated external locations will be retrieved by the AHA and date/time stamped daily. Online applications will be electronically logged as to date and time received. However, the~~is~~ date and time received will not be applicable to the randomization of a~~the~~ waiting list. A lottery will randomize all pre-applications received and only a specified number of applications will be selected at random for addition to the waiting list.

Persons with disabilities who require reasonable accommodation in completing an application may contact the Housing Authority to make special arrangements. An accommodation cannot bypass the random selection but is appropriate for assistance with the submission of an application into the random lottery. The Housing Authority uses the California relay system for individuals who are hearing impaired.

The application process involves two phases. The first phase involves placement of the family on the waiting list. This process requires the family to declare any preferences to which they may be entitled and the family's income, household size and any applicable special needs.

In the event two or more Applicants with identical preferences are eligible for placement on the waiting list, their order of placement will be determined by the order in which the family was randomly selected in the lottery process or the date and time of application if a lottery was not conducted.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list. The Housing Authority will ensure that verification of all preferences, eligibility, suitability and selection factors are current in order to determine the family's final eligibility for admission into the assistance program.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCVGB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 21]

The AHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard AHA application process. This could include people with disabilities ~~, certain elderly individuals,~~ as well as persons with limited English proficiency (LEP). The AHA must provide reasonable accommodation to allow equal access of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the AHA must provide an alternate approach that provides full access to the application process.

Chapter 2 provides a full discussion of the AHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the AHA's policies related to ensuring access to people with limited English proficiency (LEP). The AHA will take steps to ensure its process is accessible to individuals with LEP.

4-I.D. PLACEMENT ON THE WAITING LIST

The AHA must review each complete application received and make a preliminary assessment of the family's eligibility. The AHA must accept applications from families for whom the list is open [24 CFR 982.206(b)(2)] unless there is good cause for not accepting the application (such as denial of assistance because of action or inaction by members of the family) for the grounds stated in the regulations [24 CFR 982.552 and 982.553]. Where the family is determined to be ineligible, the AHA must notify the family in writing [24 CFR 982.201(f)]. E-mail notification can fulfill this requirement. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

If the AHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the AHA will send written notification of the ineligibility determination within 14 calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 15). E-mail notification can fulfill this requirement.

Eligible for Placement on the Waiting List

When the family is selected for placement on the waiting list, either by acceptance of an application in a general opening of the list or by lottery selection, the Housing Authority will notify the family in writing of placement on the waiting list. E-mail notification can fulfill this requirement.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

The order of placement within each preference point category will be determined by the order in which the family was randomly selected in the lottery process or the date and time of application if a lottery was not conducted.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The AHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 AND 205]

The AHA's HCV and PBV waiting lists must be organized in such a manner to allow the AHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

A waiting list must contain the following information for each applicant listed as a minimum:

- Applicant name;
- Date and time of application;
- Qualification for any local preference; AND
- Racial or ethnic designation of the head of household.

In addition to the HCV tenant-based waiting list, the AHA maintains project-based waiting lists grouped by common unit types and similar bedroom size. All PBV waiting lists will be referred to as "grouped" even if the list only covers one site. The AHA maintains the following waiting lists:

- HCV Program (Section 8 tenant-based programs)
- PBV Program - Elderly Properties (Anne B. Diament Plaza, Lincoln ~~/~~Willow, ~~and~~ Littlejohn Commons, Independence Plaza (non-RAD units), and Linnet Corner [2025])
- PBV Program - Supportive Services for Disabled (Jack Capon Villa)
- PBV Program - Supportive Services (Park Alameda Apartments)
- PBV Program - Supportive Services for Homeless (Alameda Point Collaborative Property)
- PBV Program - Single/Family units ~~sized 0 to 2 bedrooms (Shinsei Gardens~~, Breakers at Bayport, China Clipper, Esperanza, The Estuary I [2025], Everett Commons, Parrot Village, Rosefield Village, Shinsei Gardens, Stanford House, Stargell Commons, The Starling, and Rosefield Village)
- PBV Program – Faircloth to RAD (Independence Plaza units assisted under the AHA's Faircloth to RAD initiative)
- ~~PBV Program - Family units sized 3 and above (Shinsei Gardens, Breakers at Bayport, China Clipper, Esperanza, Parrot Village, Stanford House, The Starling, and Rosefield Village)~~

If a family applies for assistance under the HCV program, the family will be offered the opportunity to be placed on the waiting list (if all applicants are being placed on the waiting list) or in the random lottery (if families will be randomly selected for placement on the waiting list) for any project-based voucher or moderate rehabilitation program the AHA operates if:

1) The other program's waiting lists are open, and

2) The family is qualified for the other programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

The AHA will not merge the HCV waiting list with the waiting list for any other program the AHA operates. The AHA will offer applicants on the HCV waiting list the opportunity to be added to newly created site- or program-specific waiting lists. HCV applicants will be notified of the opportunity. E-mail notification can fulfill this requirement.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

The AHA will close a waiting list if it has an adequate pool of families for the applicable program. Generally, this will be when the wait for applicants reaches 12 months for the most current applicants. Alternatively, the AHA will continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

The tenant-based waiting list is always open to an otherwise eligible applicant that:

- is eligible as set forth by a HUD award of funding to the AHA for a targeted category of Section 8 eligible families (see Section 4-III.B. Targeted Funding); or
- is an emancipated youth currently receiving housing assistance from AHA pursuant to HUD's Family Unification Program (FUP) regulations effective 2009 or later who, as determined by the Alameda County Social Services Agency, has successfully graduated from FUP and has been referred to the AHA by Alameda County Social Services;
    1. Eligible FUP graduates must be in good standing with the AHA. Good standing is defined as not in violation of Program regulations, not delinquent in paying rent to owner and does not owe a PHA money.
    2. Eligible FUP graduates must be in good standing with the Alameda County Social Services Agency and have met all case management obligations.
    3. Qualifies for the Terminated Preference (see 4-III.C). Subject to the approval of the Executive Director, FUP eligible graduates will be certified for HCV participation 60 days prior to the end date of the 36-month FUP participation deadline. The Housing Choice Voucher will be effective on the first day following the 36-month FUP participation deadline.

FUP graduates must request or accept HCV participation within thirty (30) days from the end of the 36-month FUP participation deadline. Failure to request HCV participation within this time period may result in denial of assistance.

The project-based voucher grouped site-based waiting lists are always open to an otherwise eligible applicant that:

- is Displaced as defined in Section 4.III.C of this chapter, or
- is a *PBV In-Place Family* living in a Project-Based Voucher contract unit approved by the AHA:

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the AHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

The AHA will announce the reopening of the waiting list prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The AHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Alameda Journal,
- Local minority media,
- Local government cable access TV channel; and
- AHA web site and office.

Fair Housing and Equal Opportunity

Refer to Chapter 2 of the Administrative Plan for additional information on non-discrimination, policies related to persons with disabilities, improving access to services for persons with limited English proficiency, and the definition of a person with a disability under federal civil rights laws.

4-II.D. FAMILY OUTREACH

The AHA will conduct outreach as necessary to ensure that the AHA has a sufficient number of applicants on the waiting list to use the resources available.

Because HUD requires the AHA to serve a specified percentage of extremely low-income families (see Chapter 4, Part III), the AHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance

The AHA will make a special outreach effort to those groups identified in the Consolidated Plan as most in need of affordable housing.

AHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

AHA outreach efforts will be designed to inform qualified families about the availability of assistance under its programs. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms or links to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

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

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on the waiting list, the family must inform the AHA of changes in contact information, including current residence, mailing address, e-mail address and phone number as soon as possible. Failure to notify the AHA of changes in contact information may result in the AHA being unable to contact the family during a waiting list update or to offer assistance. The family may update contact information through the AHA's online applicant portal which can be accessed through the AHA's website www.alamedahsg.org. The family must also report changes in household composition or circumstances and any significant changes in income, which could affect the applicant's eligibility, the size or type of unit needed, or the applicant's priority for admission. All changes must be submitted in writing and the AHA may require this to be done on-line unless waived as a reasonable accommodation.

4-II.F. UPDATING A WAITING LIST [24 CFR 982.204]

The AHA has established policies to use when removing applicant names from a waiting list.

Purging the Waiting List

The waiting list will be updated periodically to ensure that all applicants and applicant information are current and timely.

HUD rules do not describe specific procedures to purge a waiting list. However a purge begins with a standardized mailing or e-mailing to waiting list applicants, requiring a verification of continued interest. Applicants must comply with the instructions in the notice and provide all requested information needed for continued placement on the waiting list, such as address and phone number, household composition, income, and type of preference(s) claimed. The update request will provide a deadline by which the requested form or information must be returned, and clearly explain what will happen if the response is not received by the deadline date. The collection of this form may be in an electronic format at the AHA's prerogative. If no response is received by the deadline, the applicant is removed from the waiting list. If a notice is returned by the post office, the applicant will be removed from the waiting list without further notice.

If a family is removed from the waiting list for failure to respond, the family may be reinstated if they submit a written request within 90 days of the date of the update request letter. If more than 90 days have passed, the Executive Director or his/her designee may reinstate the family if s/he determines the lack of response was due to AHA error, or to circumstances beyond the family's control.

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list may be subject to reasonable accommodation. If the applicant did not respond to an AHA request for information or updates because of the family member's disability, the AHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

Remove from the Waiting List

If at any time an applicant family is on a waiting list, the AHA determines that the family is not eligible for assistance for one or more specific programs (see Chapter 3), the family will be removed from the applicable waiting list or lists. Families will be removed from the HCV tenant-based assistance waiting list in direct response to a family's failure to comply with AHA requirements for participation in the HCV Program and because the family fails to meet the eligibility requirements of the HCV program. The AHA must provide reasonable accommodation to allow equal access of individuals with disabilities.

If a family is removed from the waiting list because the AHA has determined the family is not eligible for assistance, a notice will be sent to either the e-mail provided by the family or the family's address of record. The notice will state the reasons the family was removed from the waiting and will inform the family how to request an informal review of the AHA's decision (see Chapter 15) [24 CFR 982.201(f)].

PART III: SELECTION FOR ASSISTANCE

4-III.A. OVERVIEW

As vouchers or PBV units become available, families on a waiting list will be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the AHA and is impacted in part by any selection preferences for which the family qualifies. The source of funding also may affect the order in which families are selected from the waiting list.

The AHA will maintain a clear record of all information required to verify that the family is selected from the waiting list according to the AHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically named families living in specified types of units (e.g., a family that is displaced by demolition of public housing). In these cases, the AHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The AHA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

HUD may award the AHA funding for a specified category of families on the waiting list. The AHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

The AHA administers the following types of targeted funding:

- Mainstream Program
- Shelter Plus Care Program
- Bessie Coleman Mod Rehab Program
- Family Unification Program
- Veterans Affairs Supportive Housing (VASH)
- Emergency Housing Vouchers (EHV)
- Stability Vouchers

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the HCV or any of the PBV waiting lists. In the case of a funding shortage, however, PBV assistance will be provided before HCV assistance. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

The AHA will describe below the method for selecting applicant families from the waiting list, including the system of admission preferences that will be used [982.202(d)] in the following sections.

When a vacancy exists at a PBV site, the AHA will notify the next families on the applicable waiting list. The AHA's letter to the applicants also will state that if the applicant is interested in residing in the vacant PBV unit, that the applicant will not lose her or his place on the AHA's HCV waiting list.

A~~ll a~~pplicants indicating interest in the PBV unit ~~will~~ may be prescreened by the AHA for Section 8 eligibility. Applicants will be~~and~~ referred to the owner in the order in which the screening has been completed or by position number if AHA and owner screening are completed simultaneously. However, if the tenant selection criteria of the owner include screening for credit and criminal background, these procedures may be performed prior to completion of the full assistance eligibility process. If, on the basis of property owners screening for suitability, including, the credit and criminal background screening process, the owner will not offer tenancy to the applicant, the AHA will not complete the voucher eligibility process and the applicant will be removed from the selected grouped site-based project-based waiting list and sent a notice to this effect.

Waiting list referrals to the PBV owner ~~will~~ may remain active for consideration for a PBV vacancy for a period of 120 days from the date of selection from the waiting list. Referred tenants will be screened by the owner and readied for occupancy. If the owner provides documentation of outreach to all applicants at the same time, first ready, is first referred back to the AHA for eligibility determination and leasing. Any abnormalities in outreach will result in owners being required to process in waiting list order. Readiness is defined to mean having met all of the owner's screening criteria and accepted for tenancy.

In the event that multiple families are made ready for a PBV unit, as a tie breaker for who is assigned the unit, the family who has the highest rank from the referral list of all "ready" families will be processed by the AHA for eligibility determination and offered the available unit.

An owner may continue to work on suitability screening for up to three families from the latest referral list in anticipation of any additional vacancies that may arise during the 120-day referral period. The AHA ~~will~~ may also continue the eligibility process for any family made ready by the owner. The AHA will return the family to the waiting list if it is a grouped waiting list and other vacancies are anticipated.

If no unit is scheduled to be vacated by an existing tenant or there are no impending vacancies prior to the expiration of the 120-day period, all unassigned referrals will be returned to the project's PBV waiting list. If there are vacancies at other PBV units on the same waiting list, the family may be referred to the second owner or returned to the waiting list earlier than the 120-day period.

If the AHA referrals do not provide the PBV owner with a suitable tenant for the unit and the waiting list is exhausted, the owner may refer a Section 8 eligible individual or family to the AHA's grouped site-based PBV waiting list if it is open. The referred family must meet the AHA's Section 8 eligibility criteria. See chapter 16 for other options when the waiting list is exhausted.

If any PBV waiting list has been exhausted, and prior to opening the waiting list for targeted outreach, the AHA may query HCV tenants to see if any tenant-based assisted household is interested in a PBV unit. Admission to the PBV program for HCV Tenants will be on a first ready, first served basis. Any additional HCV tenant families interested in PBV units will be informed that the unit(s) has been leased and no further action will be taken on their behalf.

PBV Waiting list applicants shall have priority over all HCV assisted tenants for PBV units.

PBV units approved under the Request for Proposals to ~~build~~ supply units for VASH-eligible households can only be filled with families referred by the VA as allowed under the VASH program. As VASH tenant-based and project-based~~these~~ families are referred by the VA, the VA maintains all waiting lists for this program.

Local Preferences and Point Values [24 CFR 982.207~~; HCV p. 4-16~~]

HUD allows housing authorities to establish local preferences, and the AHA has established local preferences, that give priority to serving families that meet those criteria.

All local preferences are consistent with the AHA plan and the consolidated plan, and are based on local housing needs and priorities that are documented by generally accepted data sources.

The AHA has established local preferences for the HCV Program, the PBV Program at the Alameda Point Collaborative (APC) Property, the PBV Program at Jack Capon Villa (JCV), the PBV Program at Park Alameda (PA), the Faircloth to RAD PBV Program, and the PBV Program at all other sites.

These preferences and their point values are:

HCV Program	PBV Program at APC & JCV
FUP Graduates (25 Points)	~~In Place (37 points)~~
Special Provisions (12 points)	
Displaced (9 points)	Supportive Services (10 pts.)
~~Special Provisions (8 points)~~	Displaced (9 points)
Terminated (7 points)	Terminated (7 points)
Residency (6 points)	Residency (6 points)
Family (3 points)	Family (3 points)
Veteran (2 points)	Veteran (2 points)

PBV Program at PA	PBV Program at Other
~~In Place (37 points)~~	In Place (~~37~~ 55 points)
Disability-specific Supportive Services (10 points)	
Displaced (9 points)	Displaced (9 points)
Terminated (7 points)	Terminated (7 points)
Residency (6 points)	Residency (6 points)
Family (3 points)	Family (3 points)
Veteran (2 points)	Veteran (2 points)

PBV Faircloth to RAD Program

In Place (55 points)

Senior (25 points)

Displaced (9 points)

Terminated (7 points)

Residency (6 points)

Veteran (2 points)

Preference points are aggregated to produce the total preference points for each applicant. Applicants with the same total preference points will then be sorted by the method in which they were selected to be placed on the waiting list (i.e., date and time of application or order of random selection). Applicants that have been randomly selected for placement on a waiting list must contact the AHA to notify staff of any change in status. If an applicant submits a change in status that results in a change in preference, the preference must be verified prior to any change in placement on a waiting list. Changes to preference points will be applied to the next available waiting list pull.

FUP Graduates. Emancipated Youth assisted with Family Unification Program (FUP) funding pursuant to FUP regulations dated 2009 or later who were given rental assistance for a fixed term of thirty-six months who are now aging out of that thirty-six-month period and referred by Alameda County Social Service for assistance under the HCV Program. Admissions are limited to five per calendar month for this preference subject to availability of vouchers.

Displaced. Special Admissions are explained in 4-III.B and qualification for the displaced preference is not qualification for a Special Admission. Applicants eligible for the displaced preference must meet one of the following criteria in order to receive the preference points.

A person or persons whose dwelling in AHA's jurisdiction (the City of Alameda), as determined by AHA:

- Has been destroyed, rendered uninhabitable or projected to be uninhabitable for at least 180 days from the date of displacement as a result of action or inaction by a landlord in response to a disaster declared by the Federal Government or the State of California—provided that the family was meeting all conditions of occupancy at the time of its occurrence; or
- Has been, or will be, rendered legally or functionally uninhabitable for, at least, 180 days from the date of displacement as a result of redevelopment activity or actions invoking the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Relocation Act) or Section 104(d) of the Housing and Community Development Act (HCD).

At the time of application, an applicant must be displaced within 120 days of application to qualify for this preference. Applicants on a waiting list are eligible for this preference if they experience displacement after the time of application and prior to being housed upon verification as outlined above.

As of the date that AHA selects the applicant for housing assistance from its waiting list, contingent on AHA's verification of the family's application information, is not living in standard, permanent replacement housing.

(1) Standard, permanent replacement housing is defined as housing that is decent, safe, and sanitary according to inspection protocols and State and local housing code that is adequate for the family size according to inspection protocols and State and local

code, and that the family is occupying pursuant to a written or oral lease or occupancy agreement.

(2) Standard, permanent replacement housing does not include transient facilities, hotels, motels, temporary shelters and, in case of Victims of Domestic Violence, housing occupied by the individual who engages in such violence. It does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress. Shared housing with family or friends is not considered temporary and is considered standard, permanent replacement housing.

Applicants on any waiting list who claim a preference for being displaced pursuant to the definition above must present third-party evidence of displacement at the time when selected for certification. Failure to present documentation to validate displacement will result in the loss of preference and return to the waiting list.

In Place. Eligible residents who reside in units at the time of the PBV property owner's proposal selection date for Project-based assistance.

Special Provisions. There are two categories of Special Provisions Applicants:

- Applicants who are residents residing in units owned and/or managed by the AHA and who are over-housed or underhoused and for whom there is no appropriate unit in the complex where they live and only with the approval of the Executive Director.
- Family Unification Program (FUP)-eligible families and FUP-eligible youths to which the AHA intends to issue FUP vouchers with available funding provided by HUD for this purpose. [Note: This previously was a separate preference.]

Supportive Services at APC is defined as: Families with a person or more than one person with disabilities offered at Alameda Point Collaborative (APC) in need of supportive services for the homeless or persons/families at risk of homelessness.

Supportive Services at JCV is defined as: Families with a person or more than one person with disabilities in need of the supportive services offered at Jack Capon Villa.

Voluntary, Disability-Specific Supportive Services at Park Alameda is defined as: Persons with disabilities eligible for the disability-specific supportive services offered by Park Alameda under a Ryan White grant from Alameda County. Participation in these services is voluntary, but the family will receive the preference points for being eligible for the services. This preference is allowable under HOTMA regulations. This preference will be limited to the 9 units at Park Alameda specified under the HAP contract as excepted units because the units are specified for families with members with disabilities.

Terminated. Section 8 participants who have been terminated by AHA due to over-leasing or lack of federal funding. At the time a participant is terminated due to over-leasing or lack of federal funding, that person's name will automatically be placed on the waiting list and given the appropriate preference. If more than one family is terminated under the same action, the families will be placed on the AHA's waiting list in a randomly selected order.

Residency. This residency preference is limited to the jurisdictional boundaries of the city of Alameda. Use of the residency preference will not have the purpose or effect of delaying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family. Applicants who live or work in Alameda, or applicant families including at least one adult member who lives or works in Alameda, at the time of application or during the time on a waiting list qualify for this preference. For homeless applicants, this preference will apply if the applicant had been living in Alameda prior to becoming homeless.

Family. A family including a member 62 years of age or older or a person with disabilities. This revised definition is effective for families whose application was received after November 20, 2014.

Veteran. A member of the military, a veteran who was discharged or released under conditions other than dishonorable, or a surviving spouse (as defined by the Department of Veteran Affairs.) Providing these preference points for a veteran, preference is given to veterans within each preference category for which the veteran is eligible.

Senior. A family whose head of household, co-head/spouse, or sole member is person 62 years of age or older.

At the time of initial application, the applicant certifies as to whether or not it is eligible for a preference, and the AHA will place the applicant on the waiting list according to the preference claimed. Preferences which are critical for proper placement on a particular waiting list may be verified prior to placement on the waiting list and again at time of selection. All other preferences will be verified at the time of selection, and when a change in status is submitted, based on the family's current circumstances. Before the family receives assistance the AHA must verify the family's eligibility for the preference based on current circumstances. If upon verification the AHA determines that the family does not qualify for the preference claimed, the family does not receive the preference. In this situation, the AHA will notify the applicant in writing that they do not qualify for the preference and will be returned to the waiting list with an update to the applicant record.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV and PBV program during the AHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, AHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

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

The admission of applicants who qualify for the absolute In Place preference is not subject to income-targeting [24 CFR 983.251(b)(~~2~~4)].

Order of Selection

For families placed on a waiting list, under the AHA system of preferences, the AHA will select families with the highest number of preference points and then by the random selection process [24 CFR 982.207(c)] or date/time of application as specified in the notice of waiting list opening. The AHA will select families from the targeted funding or selection preferences for which they qualify, and in accordance with the AHA's hierarchy of preferences [24 CFR 982.204(~~b~~a) and (e)]. Based on the pre-determined methodology at the time of application, within each targeted funding or aggregate preference total, families will either be selected from the waiting list on a first-come, first-served basis according to the date and time their complete application is received by the AHA or by their randomly selected order at the time of application. When there is a funding shortage, PBV units will be filled prior to issuance of new vouchers under the HCV program.

The AHA will maintain documentation as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the AHA does not have to ask higher placed families each time targeted selections are made.

For grouped site-based waiting lists (i.e., PBV), applicants will be removed from the waiting list if they are non-responsive to or refuse an offer of a unit for sites housed under the waiting list. Exceptions will be considered on a case by case basis by the Executive Director or designee for various reasons to include: lease commitment issues, sequestered jurors, medical emergencies that prevent moving at that time, or death of a family member. All requests for exceptions must be made in writing.

4-III.D. NOTIFICATION OF SELECTION

When a family/applicant has been selected from the waiting list, the AHA must notify the family/applicant.

The AHA will notify the family/applicant by first class mail or e-mail when it is selected from the waiting list. The family/applicant will be sent a packet of forms or a link to the packet on Rent Café to be completed and returned by a specified date.

If a notification letter is returned to the AHA, the family/applicant will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record.

If the family/applicant does not respond to the selection notification letter, the family/applicant will be removed from the waiting list from which they were selected. A notice of denial (see Chapter 3) will be sent to the family's address of record.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that the AHA obtain the information and documentation needed to make an eligibility determination though a private interview. Being invited to attend an interview does not constitute admission to the program.

Reasonable accommodation will be made for persons with disabilities who are unable to attend an interview due to their disability.

Families selected from the waiting list, who have returned the required documentation, will be scheduled for an eligibility interview. The AHA will notify the family by first class mail or e-mail with the following information:

- 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; and
- Any other documents and information that should be brought to the interview.

All adults in the household must attend the initial certification interview unless there is an extenuating circumstance and approval has been received from AHA. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the AHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity. (Chapter 7 provides a discussion of proper 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.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the AHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided as soon as possible. (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status.) If the family is unable to obtain the information or materials timely (normally within 14 calendar days), the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3). Families will be processed in the order that the AHA receives all documents from the family and the file is complete at this stage. For families whose documents are received at the same time, the original position number will break ties. The AHA will not delay processing other complete files if the family has not provided all required documents or information.

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

~~Interviews will be conducted in English.~~ For limited English proficient (LEP) applicants, the AHA will provide translation services in accordance with the AHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the AHA in advance of the interview to schedule a new appointment. If a family does not attend a scheduled interview, the AHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without AHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

The AHA must verify all information provided by the family (see Chapter 7). Based on verified information, the AHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

If the AHA determines that the family is ineligible, the AHA will send written notification of the ineligibility determination within 14 calendar days of the determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review (Chapter 15).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to the waiting list with original time/date or randomized position and revised preferences, if appropriate. The AHA will notify the family in writing that it has been returned to the waiting list and will specify the reasons for it.

CHAPTER 6

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the AHA's subsidy. The AHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations or an approved MTW activity. Chapter 1 contains information on which families are included in MTW activities and which families are excluded from MTW activities. This chapter describes HUD regulations and AHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and AHA policies for calculating annual income are found in Part I. This part also includes some information on approved MTW activities that affect annual income.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the AHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and AHA policies for calculating adjusted income are found in Part II.

Part III: Calculating Family Share and AHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining AHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(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 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. 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 [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead 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 [24 CFR 5.609(c)(1)]. 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, spouse, or cohead)	Employment income above $480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the AHA indicating that the student has established a separate household or the family declares that the student has established a separate household. The student's status will be re-evaluated each year at the time of the family's regular re-examination.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

If a child has been placed in foster care, the AHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member. Families must report when temporary absences become permanent.

Absent Head, Spouse, or Cohead

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

In the case where the household member is the spouse, legal separation, filing for dissolution of marriage, annulment, or other verification acceptable to the AHA will be sufficient proof that the family member is no longer a member of the household.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

The AHA will request verification from a responsible knowledgeable professional and will use this determination. If the responsible knowledgeable professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

All family members, including single member families cannot be out of the unit for more than 180 days [24 CFR 982.312]. Reasonable accommodation can be requested to waive this regulation; however, the AHA does not have the authority to waive it, so the request and all documentation must be submitted by the AHA to HUD for review. The family must cooperate in providing all requested information and documents for AHA to submit.

Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the AHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

6-I.C. ANTICIPATING ANNUAL INCOME

The AHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or regular reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The AHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the AHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The AHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

When the AHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the AHA 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 AHA to show why the historic pattern does not represent the family's anticipated income.

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

HUD strongly recommends the use of up-front income verification (UIV). UIV is "the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals" [PIH Notice 2018-18].

HUD allows PHAs to use UIV information in conjunction with family-provided documents to anticipate income. The AHA may not use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six months old and more current information (from pay stubs) is available. The AHA requires three current and consecutive pay stubs from a client to calculate anticipated annual income. For new income sources or when three pay stubs are not available, the AHA will project income based on the information from a traditional written third party verification form or the best available information.

AHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated either within the 60-day period preceding the reexamination or AHA request date. Documents older than 60 days (from the AHA interview/determination or request date) is acceptable for confirming effective dates of income.

The AHA will follow "HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available" 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.

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 AHA will follow these guidelines:

The AHA 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 AHA will use the family-provided information.

If the UIV method used was EIV, the AHA will use the pay stubs supplied by the family to calculate the anticipated annual income.

Substantial Difference. If UIV/EIV information for a particular income source differs from the information provided by a family by $200 or more per month, the AHA will take the following actions:

- Discuss the income discrepancy with the tenant; and
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the AHA is required to request from the third-party source, any information necessary to resolve the income discrepancy; and
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
- Take any other appropriate action as directed by HUD.

When the AHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the AHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The AHA will analyze all UIV/EIV data, third party verifications, and family certifications and attempt to resolve the income discrepancy.

The AHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, net income from self-employment, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

Some Types of Military Pay. All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]. 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. Such income is not counted.

Children's Earnings. Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

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 cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program.

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 [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs. Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- 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)

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 AHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the AHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs. Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

The AHA 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 to 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" [expired Notice PIH 98-2, p. 3].

The AHA 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 [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the AHA 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 AHA's interim reporting requirements.

HUD-Funded Training Programs. Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

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.

~~***Earned Income Disallowance***. The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.~~

~~6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]~~

~~Under HOTMA, the Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023. Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.~~

~~The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time.~~

~~Calculation of the Disallowance~~

~~Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."~~

~~The AHA 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.~~

~~***Initial 12-Month Exclusion.*** During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are consecutive.~~

~~The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.~~

~~***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 consecutive.~~

~~***Lifetime Limitation.*** The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.~~

~~During the 24-month eligibility period, the AHA will schedule and 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-I.F. BUSINESS INCOME [24 CFR 5.609(B)(2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

Business Expenses

Net income is "gross income less business expense" .

To determine business expenses that may be deducted from gross income, the AHA 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.

Business Expansion

HUD regulations do not permit the AHA to deduct from gross income expenses for business expansion.

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.

Capital Indebtedness

HUD regulations do not permit the AHA to deduct from gross income the amortization of capital indebtedness.

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

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.

Withdrawal of Cash or Assets from a Business

HUD regulations require the AHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of

$2,000 to help a business get started, the AHA 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.

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-I.G. ASSETS [24 CFR 5.609(B)(3) AND 24 CFR 5.603(B)]

Overview

There is no asset limitation for participation in the HCV program until the AHA implements the provisions of HOTMA sometime in 2024. However, HUD requires that the AHA include in annual income the "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the AHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

This section begins with a discussion of general policies related to assets and then provides HUD rules and AHA policies related to each type of asset.

General Policies

Income from Assets

The AHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the AHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the AHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the AHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

Anytime 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 AHA to show why the asset income determination does not represent the family's anticipated asset income.

For families and participants included in MTW:

The AHA allows self-certification of combined assets of $50,000 for participants on the program. For assets less than $50,000, the family must provide a statement with any income earned on the assets under penalty of perjury. No other verification is required.

Assets that the family does not have access to such as irrevocable trusts and 401K accounts would not count towards the $50,000 threshold. New assets under $50,000 do not need to be reported between triennials. This paragraph applied to families participating in the MTW program.

For families and participants not included in MTW:

The family must provide verification of all assets and the higher of the actual or imputed income will be used as discussed in the next section.

Valuing Assets

The calculation of asset income sometimes requires the AHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash. Examples of acceptable costs include penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions .

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) [RHIIP FAQs]. (For a discussion of lump sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3)]

For families and participants not included in MTW:

When net family assets are $5,000 or less, the AHA 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 AHA will include in annual income the greater of (1) the actual income derived from the assets or (2) 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.

For families and participants included in MTW:

Actual income of assets is used if the total value of assets is less than $50,000. If assets are in excess of $50,000, the AHA will include in annual income the greater of (1) the actual income derived from the assets or (2) 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.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the AHA 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.

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.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the AHA 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 AHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the AHA will prorate the asset evenly among all owners.

Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the AHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The AHA 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 year exceeds the gross amount received for the assets by more than $500.

For families and participants not included in MTW:

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

For families and participants included in MTW:

See interim policies on income decreases. Requesting a decrease to remove the asset income will count towards the one interim per year cap.

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.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

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.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

Families must sign a declaration form at initial certification and each regular 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 AHA may verify the value of the assets disposed of if other information available to the AHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

In determining the value of a checking account, the AHA will use the current balance.

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

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

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

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, the AHA will use the value of the account on 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 AHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives
- Equity in real property when a family member's main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

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 AHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

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).

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.

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 [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension 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 AHA 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 is 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. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

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.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, the AHA will use the family's estimate of the value. However, the AHA also may obtain an appraisal if appropriate to confirm the value of the asset. 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 [24 CFR 5.603(b)].

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

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 assets. The cash value is the surrender value. If such a policy earns dividends or interest that 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-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments <u>Included</u> 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]

Lump Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Also, lump sum payments from any deferred Department of Veterans Affairs disability benefits or received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al. are not counted as income [FR 07/24/2012, pp. 43347-43349].

Periodic Payments <u>Excluded</u> from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]

  The AHA 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)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *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.) [24 CFR 5.609(b)(4)].
- Lump sums received as a result of deferred Department of Veterans Affairs disability benefits or received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al. are not counted as income (see section 6-I.J.) [FR 07/24/2012, pp. 43347-43349]

- *Guaranteed Basic Income*: Amounts received under the City of Alameda's Guaranteed Basic Income Pilot Program are not included in annual income for families participating in MTW activities.

6-I.I. PAYMENTS 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 [24 CFR 5.609(b)(5)] 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 [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The AHA must make a special calculation of annual income when the welfare agency imposes sanctions on families. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

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" [24 CFR 5.615(b)]

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 AHA must include in annual income "imputed" welfare income. The AHA must request that the welfare agency inform the AHA when the benefits of an HCV participant family 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)].

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 [24 CFR 5.615(c)(4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(B)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

The AHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

The AHA will count court-awarded amounts for alimony and child support unless the AHA 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.

Regular Contributions or Gifts

The AHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

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, diapers 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 AHA. For contributions that may vary from month to month (e.g., utility payments), the AHA will include an average amount based upon past history.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(B)(9)]

In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance <u>Included</u> in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition and required fees received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the AHA will use the definitions of *dependent child, institution of higher education,* and *parents* in Section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.

- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled.

Student Financial Assistance **__Excluded__** **from Annual Income** [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in Section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- 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 [24 CFR 5.609(c)(8)(iii)]
- 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) [(24 CFR 5.609(c)(8)(ii)]
- 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 [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- 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 specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:
    a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
    b) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to

reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This exclusion also applies to assets;

c) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) This exclusion also applies to assets;

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)

g) 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 (25 U.S.C. 1407-1408)

h) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

i) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

j) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

k) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

l) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)) 1, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l)). This exclusion also applies to assets;

m) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);

n) 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)

o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

p) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811– 16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821–22) is excluded from income and assets (38 U.S.C. 1833(c)).

q) 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 (42 U.S.C. 10602)
r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
s) Assistance from the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC)
t) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1009 (25 U.S.C. 1774f(b))
u) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501)

v) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and SelfDetermination Act (NAHASDA) (25 U.S.C. 4101 et seq.);
w) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101) and administered by the Office of Native American Programs
x) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291); This exclusion also applies to assets;
y) Any amounts in an ‘‘individual development account’’ are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4));
z) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013– 1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust

Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);

aa) Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93– 288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets;

bb) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

cc) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021(Pub. L. 117–2, section 3201). This exclusion also applies to assets.

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require AHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [AHA] must deduct the following amounts from annual income:

(1) $480 for each dependent;

(2) $400 for any elderly family or disabled family;

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:

(i) Unreimbursed medical expenses of any elderly family or disabled family;

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

Generally, the AHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the AHA will estimate costs based on historical data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the AHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The AHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead 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 [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(A)(3)(I)]

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 cohead 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.

Definition of Medical Expenses

HUD regulations define *medical expenses* at 24 CFR 5.603(b) 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 *:

• Services of medical professionals • Surgery and medical procedures that are necessary, legal, noncosmetic • Services of medical facilities • Hospitalization, long-term care, and in-home nursing services • Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor • Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	• Substance abuse treatment programs • Psychiatric treatment • Ambulance services and some costs of transportation related to medical expenses • The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) • Cost and continuing care of necessary service animals • Medical insurance premiums or the cost of a health maintenance organization (HMO)

*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.

Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or cohead 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 AHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(B) AND 24 CFR 5.611(A)(3)(II)]

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.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any ~~earned income disallowances or~~ income exclusions are applied.

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

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” .

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

Expenses incurred for maintaining or repairing an auxiliary apparatus are 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.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

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, 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 AHA 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.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

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

Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head or spouse 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 AHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) 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."

Clarifying the Meaning of *Child* for This Deduction

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.

Qualifying for the Deduction

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 AHA 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.

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 AHA.

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.

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.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any ~~earned income disallowances or~~ income exclusions are applied.

When the person who is enabled to work is a ~~person with disabilities who receives the earned income disallowance (EID) or a~~ full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. ~~For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.~~

The AHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

When the child care expense being claimed is to enable a family member to work, 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 AHA 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.

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. The AHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

For school-age children, costs attributable to public or private school activities during standard school hours are not considered.

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 AHA 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.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

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.

PART III: CALCULATING FAMILY SHARE AND AHA SUBSIDY

6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP FORMULA [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted 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)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the AHA

The AHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

The minimum rent for this locality is $50.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the AHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the AHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. (For a discussion of the application of payment standards, see section 6-III.C.)

AHA Subsidy [24 CFR 982.505(b)]

The AHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b)]

When the AHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. The AHA will make utility reimbursements to the family.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

In the jurisdiction of the AHA, the minimum rent is set at $50.00. This is the minimum monthly rent used to set the HCV subsidy. Exceptions may be granted in the case of financial hardship. The following are hardships, which would be granted an exception to the minimum monthly rent:

- Delay in benefits from start of unemployment or disability; exception would be granted until benefits begin. In such cases, the AHA will counsel families as to the availability of services in the area.
- When the family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program;
- When the income of the family has decreased because of changed circumstances, including loss of employment;
- When a death has occurred in the family; and
- Other circumstances determined by the AHA.

If the AHA determines that there is a qualifying financial hardship, but that it is temporary, a minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day suspension period, a minimum rent is imposed retroactively to the time of suspension. The family will be offered a payment agreement for the amount of back rent owed.

If the AHA determines there is a qualifying long-term financial hardship the family will be exempt from any minimum rent requirements. If the AHA determines that there is no qualifying financial hardship exemption the minimum rent will be reinstated including the back payment for the minimum rent from the time of the suspension on terms and conditions established by the AHA.

6-III.C. HARDSHIP POLICIES FOR FAMILIES AND PARTICIPANTS INCLUDED IN MTW

Families participating in the MTW program have additional hardship policies for some MTW activities. The AHA has Hardship Policies for two of its activities: implementation of the payment standard and its alternative reexamination schedule.

HARDSHIP POLICY- PAYMENT STANDARD – FMR

This Moving to Work (MTW) activity allows the agency to change Payment Standard based on an expanded range of 80% to 150% of the Fair Market Rents (FMR) by bedroom size.

The agency applies increased payment standards during the following participant events:

1. Regular reexamination of household income and composition.
2. When an owner requests a rent increase.

A financial hardship for a decrease in payment standards are only for families where 1) the payment standard would decrease in an established unit (not at unit transfers or issuance of vouchers), 2) where the payment standard is set less than 90% of the FMR, and 3) where:

- the family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the assisted family, or reduction in or loss of earnings or other assistance; and
- the family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.

Request a Hardship

To qualify for a hardship exemption when the payment standard is set less than 90% of the FMR, a family must submit a request for a hardship exemption in writing to hardshiprequest@alamedahsg.org. A paper request may be submitted at the Agency's offices, but it will be scanned and e-mailed to this address for tracking purposes. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent.

Determination of Hardship

When a family requests a financial hardship exemption, the AHA must suspend the MTW activity while the request is being processed beginning the first of the month following the family's request until the AHA has determined if the request is warranted. This means the AHA will set the family's payment standard at 90% until the determination of the hardship is determined.

During this suspension, the AHA will determine whether the financial hardship exists and whether the hardship is temporary or long-term. AHA 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.

AHA will determine the nature of the hardship within 30 calendar days of the request being received. If the AHA requests information from the family and it is not received within the 30 days after the original request was made, the AHA may deny the request and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

No Financial Hardship

If AHA determines there is no financial hardship, AHA will reinstate the reduced payment standard and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

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

Temporary Hardship

If AHA determines that a qualifying financial hardship is temporary, AHA must suspend the MTW activity for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of their portion of the rent including the calculation of the decreased payment standard and must repay the AHA the amounts suspended. This repayment, upon request of the household, will be subject to a repayment plan under the AHA's repayment agreement policies if eligible.

Long-Term Hardship

If AHA determines that the financial hardship is long-term, AHA must exempt the family from the MTW activity for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the later of the end of the qualifying hardship event or the family's second regular reexamination after the decrease in payment standards was implemented. When the financial hardship has been determined to be long-term, the family is not required to repay the additional subsidy paid under the hardship.

Grievance procedure:

The family may request a second level review of the denied hardship request by submitting a written appeal to hardshiprequest@alamedahsg.org. This appeal should contain any information the family would like to be considered during the appeal review including why the family believes the incorrect determination was made. The appeal will be reviewed by a different staff member than the one that made the original determination. Also, any staff reporting to the staff member making the original denial will be ineligible to review the appeal request. The appeal will be reviewed and responded to within 14 calendar days of receipt of the appeal.

If the second review results in the same decision as the original request, the family may request an Informal Hearing according to the AHA's Informal Hearing procedures stated in Chapter 15.

HARDSHIP POLICY- ALTERNATIVE REEXAMINATION SCHEDULE FOR HOUSEHOLDS

This Moving to Work (MTW) activity allows the agency to establish an alternative reexamination schedule including placing a limit on the number of interim reexaminations between regular reexaminations.

The AHA is limiting households to one interim per calendar year if the household gross income has decreased by 10% or more

For households not claiming $0 income, the regular reexamination schedule will be once every three years. For those families claiming $0 income, there will be a regular reexamination once a year and a zero-income certification will be required every 90 days. If income from outside the house is disclosed on this form, such as family contributions, the income will be added to the family's income for rent calculation purposes.

As prior to this activity, families under Income Averaging will not receive a decrease unless the family permanently loses the source of income that is cyclical.

If a family receives an income decrease of less than 10% from the last income calculation or would like a second interim in the calendar year, the family may submit a hardship request if:

- The family's income decreases to $0 or
- The decrease is anticipated to be longer than 30 days without a secondary source of income anticipated to increase. For example, families who lose wage income can anticipate a payment of unemployment, so the decrease would not be processed until the unemployment process is completed or
- The family faces eviction.

Request a Hardship

To qualify for a hardship exemption for additional reexaminations, a family must submit a request through the agency's online form located on the AHA's website (https://www.alamedahsg.org/housing-programs/program-forms/) or by filling out a paper copy (https://www.alamedahsg.org/housing-programs/program-forms/) and emailing it to hardshiprequest@alamedahsg.org. . A paper request may be submitted at the Agency's offices, but it will be scanned and e-mailed to this address for tracking purposes. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent. If the family is claiming to be facing eviction, they must submit a copy of a Termination of Tenancy, the eviction notice or a self-certification, signed under penalty of perjury, along with the hardship request. If the family submits a self-certification that the family is facing eviction, the Agency may verify that with the landlord.

Determination of Hardship

When a family requests a financial hardship exemption, the AHA will review the request within 5 business days to determine whether the household is eligible for a hardship based on the information provided. If the AHA needs additional information, the household has 7 business days from the AHA's request for information to provide all of the information required. The AHA has 3 business days to make an eligibility determination. If the AHA requests information from the family and it is not received within the 7 business days after the request was made, the AHA may deny the request.

If the AHA determines that the request does not meet the definition of a hardship has outlined in this policy, the agency will notify the household. Please refer to the "Grievance Procedure" below for household's available next steps in this circumstance.

If the AHA determines that the request does meet the definition of a hardship has outlined in this policy, the agency must suspend the MTW activity while the request is being processed. This means the AHA will conduct a reexamination and recalculate the family's portion of rent based on current circumstances until the final determination of the hardship is determined.

During this suspension, the AHA will determine whether the financial hardship exists and whether the hardship is temporary or long-term. AHA 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.

AHA will determine the nature of the hardship within 30 calendar days of the request being received. If the AHA requests information from the family and it is not received within the 30 days after the original request was made, the AHA may deny the request and require the family to repay the additional assistance paid during the suspension of the MTW activity period. **No Financial Hardship**

If AHA determines there is a minimal or no financial hardship, AHA will reinstate the family's previously calculated share and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

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

Temporary Hardship

If AHA determines that a qualifying financial hardship is temporary, AHA must suspend the MTW activity for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of their portion of the rent as previously determined by the AHA and must repay the AHA the amounts suspended. This repayment, upon request of the household, will be subject to a repayment plan under the AHA's repayment agreement policies if eligible.

Long-Term Hardship

If AHA determines that the financial hardship is long-term, AHA must exempt the family from the MTW activity for so long as the hardship continues. The exemption will apply

from the first of the month following the family's request until the later of the end of the qualifying hardship event or the family's next regularly scheduled reexamination. When the financial hardship has been determined to be long-term, the family is not required to repay the additional subsidy paid under the hardship.

Grievance procedure:

The family may request a second level review of the denied hardship request by submitting a written appeal to hardshiprequest@alamedahsg.org. This appeal should contain any information the family would like to be taken into account during the appeal review including why the family believes the incorrect determination was made. The appeal will be reviewed by a different staff member than the one that made the original determination. Also, any staff reporting to the staff member making the original denial will be ineligible to review the appeal request. The appeal will be reviewed and responded to within 14 calendar days of receipt of the appeal.

If the second review results in the same decision as the original request, the family may request an Informal Hearing according to the AHA's Informal Hearing procedures stated in Chapter 15.

6-III.D. APPLYING PAYMENT STANDARDS [24 CFR 982.505]

Overview

The AHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the AHA's payment standards. The establishment and revision of the AHA's payment standard schedule are covered in Chapter 15.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the AHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the AHA establishes an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the AHA will use the appropriate payment standard for the exception area.

The AHA will pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's total tenant payment~~TTP~~ or (2) the gross rent for the family's unit minus the total tenant payment~~TTP~~.

Changes in Payment Standards

When the AHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations and approved MTW activities.

Decreases [24 CFR 982.505(c)(3)]

If the payment standard decreases, the family will receive the higher (old) payment standard while the family continues to receive voucher assistance in that unit as long as the family composition does not change. See below for changes in family composition. ~~If the family composition changes and the result is a reduction in subsidy size, the new payment standard will be applied at an interim one (1) year from the date of removal when the subsidy size is changed.~~

If the family moves, the new payment standard will be applied to the new unit.

Increases [24 CFR 982.505(c)(4)]

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family at the next interim or regular reexamination, whichever comes first.

~~beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.~~

~~For families and participants not included in MTW:~~

~~Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next regular reexamination [HCV GB Payment Standards page 16.~~

~~For families and participants included in MTW:~~

~~Payment standard increases will be applied when owner rent increases are applied. Increases can also be requested during an interim only for family size changes. See next section for more information.~~

Changes in Family Size

Irrespective of any increase or decrease in the payment standard, if the family size increases or decreases during the HAP contract term, the new family size ~~must~~ will be used to determine the payment standard for the family effective at the interim. ~~beginning at the family's first regular reexamination following the change in family size.~~

~~For families and participants included in MTW:~~

~~After a change in family size, a request may be made for application of a larger payment standard between regular reexaminations may be made when the family is over-housed, but the interim will count towards the one interim per year cap.~~

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the AHA is allowed to establish a higher payment standard for the family within the basic range.

6-III.E. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

An AHA-established utility allowance schedule is used in determining family share and AHA subsidy. The AHA must use the appropriate utility allowance under HUD regulations. The Utility Allowance will be the lower of 1) the utility allowance amount for the family subsidy size or 2) the utility allowance amount for the bedroom size of the assisted unit. See Chapter 5 for information on the AHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 15.

Reasonable Accommodation

The AHA will approve a utility allowance amount higher than shown on the AHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the AHA will approve an allowance for air-conditioning, even if the AHA has determined that an allowance for air-conditioning generally is not needed.

In cases where the unit size leased exceeds the family unit size, the AHA may use the utility allowance for the size of the dwelling unit actually leased as a reasonable accommodation.

The family must request these higher allowances and provide the AHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB Utility Allowances pg. 7]. The AHA will verify all information provided.

Utility Allowance Revisions

At reexamination, the AHA will use the AHA current utility allowance schedule [24 CFR 982.517(d)(2)].

Revised utility allowances will be applied to a family's rent and subsidy calculations at the regular reexamination that is effective after the allowance is adopted.

6-III.F. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

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 AHA must prorate the assistance provided to a mixed family. The AHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the AHA subsidy for a family is calculated at $500 and two of four family members are ineligible, the AHA subsidy would be reduced to $250.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609 Annual Income

(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 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees or charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1002 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, “financial assistance” does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: General Temporary Assistance for Needy Families

260.31 What does the term “assistance” mean?

(a)(1) The term “assistance” includes cash, payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

[1] Text of 45 CFR 260.31 follows.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

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

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) Subject to Paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

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

(8) (i) Amounts received under training programs funded by HUD;

(ii) 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);

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

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

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

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

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

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

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

(16) Amounts paid by a State agency to a family with a 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; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);

g) The first $2000 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 $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

h) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);

i) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

j) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange liability litigation, M.D.L. No. 381 (E.D.N.Y.) (Pub. L. 101-201 and 101-39);

k) Payments received under the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, 25 U.S.C. 1721);

l) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

m) The amount of any refund (or advance payment with respect to a

refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);

n) 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);

o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

p) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811– 16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821–22) is excluded from income and assets (38 U.S.C. 1833(c)).

q) 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 (42 U.S.C. 10602);

r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931);

s) Any amount received under the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C. 1780 (b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

t) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));

u) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501);

v) Any amounts (i) not actually received by the family, (ii) that would

be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.);

w) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101) and administered by the Office of Native American Programs; and

x) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

y) Any amounts in an "individual development account" are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended in 2002 (Pub.L. 107-110, 42 U.S.C. 604(h)(4));

z) Per Capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013– 1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);

aa) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub.L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155 (d)). This exclusion also applies to assets;

bb) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in

Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

cc) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021 (Pub. L. 117–2, section 3201). This exclusion also applies to assets.

MTW INCOME EXCLUSIONS

Guaranteed Basic Income (see MTW Activity 1.w.)

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 6-4: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Section 8 tenant-based assistance program: How welfare benefit reduction affects family income

(a) Applicability. This section applies to covered families who receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families 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.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the AHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the AHA, the welfare agency will inform the AHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the AHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The AHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the AHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the AHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The AHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of AHA decision.

A participant may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the AHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the AHA denies the family's request to modify such amount, the AHA shall give the family written notice of such denial, with a brief explanation of the basis for the AHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the AHA determination, the family may request an informal hearing on the determination under the AHA hearing procedure.

(e) AHA relation with welfare agency.

(1) The AHA must ask welfare agencies to inform the AHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the AHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The AHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the AHA. However, the AHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The AHA shall be entitled to rely on the welfare agency notice to the AHA of the welfare agency's determination of a specified welfare benefits reduction.

CHAPTER 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, 24 CFR 5.233, 24CFR 5.236]

INTRODUCTION

The AHA must verify information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The AHA must not pass on the cost of verification to the family.

The AHA will follow the verification guidance provided by HUD in PIH Notice 2017-12 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System, PIH Notice 2010-19 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System except as provided under approved MTW activities. This chapter summarizes those requirements and provides supplementary AHA policies.

There are four parts to this chapter:

Part I: General Verification Process. Describes the general verification process including required consent to release information forms and verification methods while the other parts describe more detailed requirements related to individual factors.

Part II: Family Information. Describes the verification process for family information including legal identity, Social Security Number, age, student status, disability, and immigration status.

Part III: Income and Assets. Describes the verification process for income including wages, periodic payments, and self-employment. Also includes the verification process for assets disposed of for less than fair market value, bank accounts, certificates of deposit, real property, personal property, and excluded income sources.

Part IV: Mandatory Deductions. Covers the definition and eligibility for deductions for dependents, medical expenses, disability assistance expenses, and child care expenses.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the AHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the AHA or HUD determines is necessary to the administration of the program and must consent to AHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886-A, Authorization for Release of Information. The purpose of form HUD-9886-A 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 AHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to use form HUD-9886-A to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the AHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with AHA procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy

HUD authorizes the AHA to use six methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the AHA to use the most reliable form of verification that is available and to document the reasons when the AHA uses a lesser form of verification. In order of priority, the forms of verification that may be used are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System (not available for income verification of applicants)
- Up-front Income Verification (UIV) using non-HUD system whenever available
- Written Third Party Verification
- Written Third Party Verification Form
- Oral Third Party Verification
- Tenant Declaration

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

Any documents used for verification generally must be dated within the 60-day period preceding the reexamination or AHA request date. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages, e-mails and faxes are considered original documents.

The AHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-declarations must be made in a format acceptable to the AHA.

For families not participating in the MTW program, HUD allows the AHA to obtain certifications in cases of assets less than $5,000 and for fixed sources of income. During year one, the AHA will conduct a full reexamination and then during the next two years, AHA will obtain only self-certifications for households with assets less than $5,000. During the same two years for these families, the AHA will evaluate if a source of income meets HUD's definition of a fixed-source income. If income is determined to be fixed, AHA will apply a 3rd party cost of living adjustment without obtaining further verification. If a family is determined eligible by the AHA for a triennial reexamination, assets will be verified during the year of the full reexamination.

For families participating in the MTW program, recertifications will be done once every three years and income must be verified. Asset income or assets over $50,000 will be verified.

File Documentation

The AHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the AHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the AHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the AHA. The Enterprise Income Verification (EIV) is a form of UIV and the AHA is required to use this system.

The AHA must restrict access to and safeguard UIV data in accordance with HUD guidance 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 AHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the AHA.

If the family disputes the information obtained from UIV or EIV and is unable to provide acceptable documentation to support his/her dispute, AHA is required to obtain written third party verification.

Definition of Substantial Difference

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. PIH Notice 2017-12 Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System defines a substantial difference as an amount equal to or greater than $2,400, annually.

See Chapter 6 for the AHA's policy on the use of UIV to project annual income and for the AHA's threshold for substantial difference.

When No Substantial Difference Exists

If UIV information does not differ substantially from family information, the UIV documentation may serve as verification.

When a Substantial Difference Exists

When there is a substantial difference between the information provided by the UIV source and the family, the AHA must take the following actions:

- Discuss the income discrepancy with the tenant; and
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the AHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
- Take any other appropriate action as directed by HUD.

Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the AHA to use the EIV system when available. The following policies will apply when the AHA has access to HUD's EIV system.

EIV Income Reports

The data shown on the EIV Income Report is regularly updated; however, data may be between 3 and 6 months old at the time reports are generated.

The AHA will obtain the EIV Income Report for regular reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

The EIV Income Report will be compared to family-provided information as part of the regular reexamination process. EIV Income Reports may be used in the calculation of annual income, as described in Chapter 6.I.C. EIV Income Reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between EIV Income Reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

EIV Income Reports will be used in interim reexaminations to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

EIV Income Reports will be retained in a way that protects the participant's right to privacy and per EIV Security requirements.

When the PHA determines through the EIV Income Report and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

Income Discrepancy Report (IDR)

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

The AHA will generate and review IDRs on a quarterly basis. The IDR threshold percentage will be adjusted as necessary based on the findings in the IDRs.

In reviewing IDRs, the AHA will begin with the largest discrepancies.

When the AHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or regular reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the AHA will request written third party verification of the income in question.

When the AHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

The AHA will identify participants whose identity verification has failed as part of the regular reexamination process.

The AHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to AHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7-I.D. THIRD PARTY VERIFICATIONS

Written Third Party Verification is defined by HUD as an original or authentic document generated by a third party source dated within the 60-day period preceding the reexamination or AHA request date. Such documentation may be in the possession of the tenant or applicant. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

If the participant is unable to provide an acceptable Written Third Party Verification, the AHA will move onto the next form of verification.

Upon failure to obtain UIV/EIV or a Written Third Party Verification, AHA will use a standardized Written Third Party Verification form to collect information from a third party source. Oral Third Party Verification, independent verification of information by contacting the Third Party via telephone or in-person visit will be used as the final attempt to obtain third party verification.

Reasonable Effort and Timing

The AHA will diligently 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 on third party written verifications or verification forms or as independent verification when written third party verification is not received in a timely fashion.

The AHA may mail, fax, e-mail, or hand deliver written third party verification forms and will accept third party responses using any of these methods. The AHA will make a request to the participant/applicant to supply written third party verifications and give the participant/applicant 14 calendar days to respond in writing to the request. If a response has not been received by the 15th calendar day, the AHA will request verification using a written third party verification form. The AHA will send a written request for verification to each required source and give the source 14 calendar days to respond in writing. If a response has not been received by the 15th calendar day, the AHA will request third party oral verification. The AHA 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, AHA 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.

When any source responds verbally to the initial written request for verification the AHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

The AHA will document in the file how the AHA arrived at a final conclusion about the income or expense to include in its calculations.

When Third Party Information is Late

If the AHA receives third party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the AHA will conduct an interim reexamination to adjust the figures used for the regular reexamination.

When Third Party Verification is Not Required

Certain Assets and Expenses

Applicant assets require third-party documentation; a self-declaration for most types of applicant asset income is not sufficient verification.

The AHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [PIH Notice 2017-12]. AHA must document the file as to the reason(s) why third party verification was not available.

The AHA will accept a self-declaration from a family as verification of assets disposed of for less than fair market value .

For families and participants not included in MTW:

HUD allows the AHA to obtain certifications in cases of assets less than $5,000 and for fixed sources of incomes. During year 1, the AHA will obtain verification of all income and assets. During the next two years, AHA will obtain only self-certifications for households with assets less than $5,000. During the same two years for these families, the AHA will evaluate if a source of income meets HUD's definition of a fixed-source income. If income is determined to be fixed, AHA will apply a third-party cost of living adjustment without obtaining further verification. If a family is determined eligible by the AHA for a triennial reexamination, assets will be verified during the year of the full reexamination.

For families and participants included in MTW:

The AHA will allow program participants to provide self-certification under penalty of perjury of assets up to $50,000. No other verification for assets under $50,000 is required. Assets are defined in 24 CFR 5.609. Assets that the family does not have access to such as irrevocable trusts and 401K accounts would not count towards this asset limit. New assets under $50,000 do not need to be reported between triennials.

7-I.E. SELF DECLARATION

When information cannot be verified by a third party through Written Third Party Verifications, Written Third Party Verifications Forms, or Oral Third Party Verifications, family members will be required to submit self-declarations attesting to the accuracy of the information they have provided to the AHA.

The AHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-declaration must be made in a format acceptable to the AHA and must be signed by the family member whose information or status is being verified.

For families and participants not included in MTW:

Staff shall accept a family's declaration of the amount of assets of $5,000 and less for years not requiring a third-party verification. This declaration must also include the amount of income expected to be received from those assets. The AHA's self-certification document or online recertification, which is signed by all adult family members 18 years of age and older, can serve as the declaration. Where the family has net family assets equal to or less than $5,000, the AHA does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of $5,000, the AHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

For families and participants included in MTW:

Staff shall accept a family's declaration of the amount of assets of $50,000 and less. This declaration must also include the amount of income expected to be received from those assets. The AHA's self-certification document or online recertification, which is signed by all adult family members 18 years of age and older, can serve as the declaration. Where the family has net family assets equal to or less than $50,000, the AHA does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of $50,000, the AHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

PART II. VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

The AHA 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, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) U.S. passport 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.

If none of these documents can be provided, and at the AHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the AHA and be signed in the presence of an AHA representative or AHA notary public.

When a member of the household becomes an adult, i.e., turns 18, the AHA will require them to furnish a photo ID as verification of legal identity at the family's next annual re-exam.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 AND HCV GB ELIGIBILITY AND DETERMINATION OF ASSISTANCE PG. 14]

Applicants and participants (including each member of the household, and including live-in aides, foster children, and foster adults) are required to disclose his/her Social Security Administration (SSA)-assigned social security number with the exception of the following individuals:

- Individuals who do not contend to have eligible immigration status and have not been assigned a social security number.
- Existing program participants as of January 31, 2010 who have previously disclosed their social security number and HUD has determined the number valid.
- Existing program participants as of January 31, 2010, who are 62 years of age or older and had not previously disclosed a valid social security number.

For household members who meet the first exception above, a self-certification stating that no SSN has been issued is required. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

For all others, documentation of a disclosed social security number must be provided. Acceptable evidence of the social security number consists of an original social security card issued by the SSA; an original SSA document, that contains the social security number and name of the individual; or an original document issued by a federal, state, or local government agency, which contains the social security number and name of the individual.

Social security numbers must be verified only once during continuously-assisted occupancy.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination and verification must be submitted. If the family reports a SSN, but cannot provide acceptable documentation of the number, the AHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The AHA will require documentation of the SSN within 30 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 for all members over the age of 6 years. For children under the age of 6, proper documentation must be provided unless the child was added within 6 months of the issuance of voucher. In that case, the family has until 90 days after initial lease-up to provide the documentation.

The AHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

The social security numbers of household members, such as live-in aids, must be verified by HUD requirement and for the purpose of conducting criminal background checks.

When a participant requests to add a new household member, who is at least six years of age or under the age of six and has a SSA-assigned social security number, to the family, the participant must disclose the social security number and provide acceptable documentation as outlined above. The individual will not be added to the household until verification of the social security number is received.

If the household is requesting to add a minor, under six years of age and who does not have a SSA-assigned social security number, the household must disclose the SSA-assigned social security number and provide the above verification within 90 calendar days of the child being added to the household. The AHA may grant a 90-day extension to this deadline if the AHA determines that unforeseen factors outside of the control of the family delayed the submission of the documentation. The family's assistance will be terminated if the family fails to submit the verification of social security number before the AHA approved deadline.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of social security retirement benefits cannot be provided, the AHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

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 normally is sufficient verification of family relationships.

Separation or Divorce

A certified copy of a divorce decree or other court record is required to document that a couple is divorced or legally separated. If no court document is available, the head of household will be required to certify that the divorce or separation has taken place.

Absence of Adult Member

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

See Chapter 12 for absences of the entire family.

Foster Children and Foster Adults

Third party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

The AHA requires families to provide information about the student status of all students who are 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 cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

In accordance with the verification hierarchy described in Section 7-1.B, the AHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a veteran, as defined in Section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in Section 3-II.E.
- The student was receiving assistance as of November 30, 2005 and is a person with a disability as defined in section 3(b)(3)(E) of the 1937 Act.

If the AHA cannot verify at least one of these exemption criteria, the AHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the AHA will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

Independent Student

The AHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

- Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E);
- Reviewing a student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E); and

Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income. (Except if the student meets the Department of Education's definition of ''independent student'' in paragraphs (b), (c) or (h) adopted in section II of this notice).

7-II.F. DOCUMENTATION OF DISABILITY

The AHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The AHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The AHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the AHA receives a verification document that provides such information, the AHA will not place this information in the tenant file. Under no circumstances will the AHA request a participant'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 [24 CFR 100.202 (c)]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling 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

Family Members Receiving SSA Disability Benefits

The AHA will attempt to obtain information about disability benefits through the HUD UIV System, EIV, when it is available. If the HUD UIV System is not available, the AHA will attempt to obtain written third party verification from the SSA through an original SSA document that confirms the current benefits provided by the family.

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third party verification that the family member meets the HUD 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-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and AHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The AHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the AHA receives information indicating that an individual’s declaration may not be accurate.

Eligible Immigrants

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, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

AHA Verification

The AHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The AHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The AHA must verify any preferences claimed by an applicant.

The AHA will verify local preferences in the following manner:

Residency:

Applicant must provide one item from Category A and one from Category B. If the applicant cannot provide one from Category A, then two documents from Category B may be accepted by staff or alternate documentation in extenuating circumstances such as homelessness:

- Category A:
  - Lease
  - Driver's License
  - Title to property
  - Proof of residency in a shelter in Alameda
- Category B:
  - 3 consecutive utility bills (including telephone, but not cell phone bill)
  - Tax return for the period of residency
  - Car registration (if the items from Category A is not a driver's license)
  - Other government documentation (e.g. Social Security benefit letter)

If at the time of application, the applicant is staying in a shelter that is not located in Alameda, the AHA will consider the applicant to be a resident and give the local preference if the applicant's last permanent address was in the City of Alameda. If at the time of application, the applicant is staying in a shelter located in the City of Alameda, the applicant will be given the local preference.

Member of the Military or Veteran Status:

- DD214 form to verify veteran and honorable discharge status of a family member or the spouse of a deceased veteran. Merchant Marines who served in active oceangoing service from December 7, 1941, to August 15, 1945, are considered veterans.
- U. S. military card to verify current military service.

Family:

See Section 7-II.C. Documentation of Age or Section 7-II.F. Documentation of Disability

Other Preferences:

Documentation of the family's eligibility for the preference will be required. These could include certifications, copies of correspondence relating to the preference, or items from the AHA (such as a termination of assistance letter).

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan 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 AHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips 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.

7-III.B. BUSINESS AND SELF-EMPLOYMENT INCOME

Business owners and self-employed persons will be required to provide all of the following:

- An audited financial statement for the previous fiscal year if an audit was conducted.
- A profit and loss statement for the last 12 months or the length of the business being in operation. The business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes for the preceding two years.
- Bank statements for the last 12 months.

The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the AHA 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 months, the AHA will accept the family member's certified estimate of income and schedule an interim reexamination in three months. If the family member has been self-employed for three to 12 months the AHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the AHA will request a current (dated within the last 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 AHA 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 has received the benefit verification letter they will be required to provide it to the AHA.

To verify the SS/SSI benefits of participants, the AHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems or the participant disputes the information obtained from EIV, the AHA 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 participant has received the benefit verification letter they will be required to provide it to the AHA.

7-III.D. ALIMONY OR CHILD SUPPORT

The way the AHA 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.

- If payments are made through a state or local entity and can be obtained through a UIV system, the AHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- Copy of the latest check and/or payment stubs.
- Third-party verification from the person paying the support.
- 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 statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts.
- 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.
- Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The AHA needs to verify only those certifications that warrant documentation.

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

The AHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

- Example 1: An elderly participant reported a $10,000 certificate of deposit at the last regular reexamination and the AHA verified this amount. Now the person reports that she has given this $10,000 to her son. The AHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

- Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the AHA will verify the value of this asset.

Verification requirements Bank Account Assets

The family must supply the AHA with the most recent statement from the financial institution including all pages when required to supply verification of assets (see Section 7-I.B.). The Housing Authority may also require additional statements as needed, including verification that previously reported bank account assets which are not reported at the following regular reexamination have been closed.

Assets of Added Family Members

For families and participants not included in MTW:

Whenever a family member is added, AHA must obtain third-party verification of that family member's assets.

At the next regular reexamination of income following the addition of that family member, the AHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the $5,000 asset threshold.

If the addition of that family member's assets does not put the family above the $5,000 asset threshold, then the AHA is not required to obtain third-party verification of all family assets at the next regular reexamination of income following the addition of the family member. However, third-party verification of all family assets is required at least every 3 years.

For families and participants included in MTW:

Whenever a family member is added, the AHA would only verify assets of that family member if the addition caused the family's assets to be valued at $50,000 or more.

7-III.F. NET INCOME FROM RENTAL PROPERTY

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant; and

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 AHA 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-III.G. RETIREMENT ACCOUNTS

Before retirement, the AHA 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 60 days from the interview or request date.

Upon retirement, the AHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the AHA will accept an original document from the entity holding the account dated no earlier than 60 days before that reflects any distributions of the account balance, any lump sums taken and any regular payments. A document older than 60 days is acceptable for confirming effective dates of income including lump sums.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The AHA must obtain verification for income exclusions only if, without verification, the AHA would not be able to determine whether the income is to be excluded. For example: If a family's 16-year-old has a job at a fast-food restaurant, the AHA will confirm that AHA records verify the child's age but will not request pay stubs or send a verification request to the restaurant. ~~If a family claims the earned income disallowance for a source of income, both the source and the income must be verified.~~

The AHA will reconcile differences in amounts reported by third party verifications and the family only when the excluded amount is used to calculate the family share~~(as is the case with the earned income disallowance)~~. In all other cases, the AHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

The AHA will check UIV/EIV sources, request letters of termination of benefits from the family or current payment printouts (showing last payment and no new payments), 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. Any adult household member claiming zero income will be required to complete the AHA's Zero Income Statement form.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition and required fees, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the AHA would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the AHA will request written third party verification or use written third party verification forms to verify both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, the AHA will request written verification regarding the student's tuition and required fee amount such as invoices showing reason for each charge made to student and amount of each charge. If the student is unable to provide written third party verification, the AHA will use a written third party verification form to obtain the amount of tuition and required fees.

If the AHA is unable to obtain third party written verification of the requested information, the AHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with AHA policy [24 CFR 5.612 and FR 9/21/16, p. 64932].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If the AHA is required to determine the income eligibility of a student's parents, the AHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). The AHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the AHA. The required information must be submitted (postmarked) within 14 calendar days of the date of the AHA's request or within any extended timeframe approved by the AHA.

The AHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV. VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the AHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The AHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 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

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The AHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

(3) The AHA will provide a third party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Written third party verification such as pharmacy printouts of monthly expenses

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make medical expense payments or receipts from the source will be used. In this case the AHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The AHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the AHA must verify that:

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

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The AHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expense deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the AHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expense deduction, the costs must not be reimbursed by another source.

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

Expenses Incurred in Past Years

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

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

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

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

Expenses for attendant care will be verified through:

Written third party verification, when possible

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

Written third party verification such as 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 12 months

Written third party verification form of anticipated purchase costs of auxiliary apparatus

If third party is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the AHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The AHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The AHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

The AHA 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-II.E.).

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.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

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-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the AHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The AHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

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.

Pursuing an Eligible Activity

The AHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

Information to be Gathered

The AHA 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.

Seeking Work

Whenever possible the AHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the AHA will require the family to submit to the AHA any reports provided from and to the other agency documenting the member's job seeking efforts to date. If unavailable, the AHA will send a written third party verification form to the agency requesting information of the member's job seeking efforts to date.

In the event third party verification is not available, the AHA will require the participant to record job search efforts. The AHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The AHA will ask that the family provide documentation from the academic or vocational educational institution for the person permitted to further his or her education by the child care verifying the enrollment and about the timing of classes for which the person is registered. If unavailable, the AHA will send a written third party verification form to the academic or vocational educational institution.

Gainful Employment

The AHA will seek verification of the work schedule 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.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

The AHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The AHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) 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 AHA 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.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

The actual costs the family incurs will be compared with the AHA'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 AHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS [HCV GB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 24-25]

STATUS	DOCUMENTATION Note: All documentation provided must be UNEXPIRED
1) A non-citizen claiming eligible immigration status who is 62 years of age.	DECLARATION: For each family member with this status, a declaration of citizenship signed under penalty of perjury. For each adult, the declaration must be signed by the adult. For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.
2) All other non-citizens claiming eligible immigration status. Categories of eligible immigration status: a) A non-citizen lawfully admitted for permanent residence as an immigrant (includes special agricultural workers granted lawful temporary resident status and noncitizens that indicate they have satisfactory immigration status, such as VAWA self-petitioners, whose verification of eligibility or appeal of a determination as to permanent residence is pending with DHS).83 b) A non-citizen who entered the United States before 1/1/72 (or such later date as enacted by law) and: i) Has continuously maintained residence in the U.S. since then; and ii) Is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General. a) A non-citizen who is lawfully present in the United States as a result of: • Refugee status, including those granted Temporary Protective Status	DECLARATION: For each family member with this status, a declaration of eligible immigration status signed under penalty of perjury. Adults must sign their own declarations. AND: A verification form: For each adult, the adult must sign the form. For each child, an adult member of the family residing in the unit who is responsible for the child must sign the form. The verification form must state that evidence of eligible immigration status may be released by the PHA to HUD and the CIS without responsibility for the future use or transmission of the evidence by the recipient. The form must also notify the signer of the possible release of evidence of eligible immigration status by HUD. Such evidence shall only be released by HUD to the CIS for the purpose of establishing eligibility for financial assistance. AND: CIS Primary Verification of eligible immigration status must be conducted by the PHA through the CIS automated SAVE system. If this method fails to verify status, or, if the verification received indicates ineligible immigration status, the PHA must request Secondary CIS Verification within 10 days by sending to the local CIS Office photocopies of CIS documents receiving (front and back)

STATUS	DOCUMENTATION Note: All documentation provided must be UNEXPIRED
(TPS) under the Victims of Trafficking and Violence Protection Act of 2000 (P.L. 106-386) (section 207); or • The granting of asylum (which has not been terminated (section 208); or • The granting of conditional entry (section 203 (a)(7)) prior to 4/1/80 because of persecution of fear on account of race, religion, or political opinion, or because of being uprooted by catastrophic national calamity. b) A non-citizen who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest (section 221(d)(5)) (e.g., parole status). c) A non-citizen who is lawfully present in the United States as a result of the Attorney General's' withholding deportation (section 243(h)) (threat to life or freedom). d) A non-citizen lawfully admitted for temporary or permanent residence (245A) (amnesty granted). e) An alien who is lawfully resident in the United States and its territories and possessions under section 141 of the Compacts of Free Association between the Government of the United States and the Governments of the Marshall Islands, the Federated States of Micronesia (48 U.S.C. 1901 note) and Palau (48 U.S.C. 1931 note) while the applicable section is in effect: Provided, That, within Guam any such alien shall not be entitled to a preference in receiving assistance under this Act over any United States citizen or national	attached to Form G-845S – Document Verification Request. AND: The PHA must request and review an original CIS document of eligible immigration status and must retain photocopies and return the original to the individual. Acceptable Original CIS Document: • Form I-551 "Permanent Resident Card" • Form I-94 Arrival-Departure Record annotated with one of the following: "Admitted as a Refugee Pursuant to Section 207" "Section 208" or "Asylum" "Section 243(h)" or "Deportation stayed by Attorney General" "Paroled Pursuant to 9 CFR Section 221 (d)(5) of the INS" • Form I-94 Arrival-Departure Record with no annotation accompanied by: A final court decision granting asylum (but only if no appeal is taken); A letter from a DHS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a DHS district director granting asylum (application filed before 10/1/90); A court decision granting withholding of deportation; or A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

STATUS	DOCUMENTATION Note: All documentation provided must be UNEXPIRED
resident therein who is otherwise eligible for such assistance.	• Form I-9 Employment Eligibility Verification annotated with: Acceptable document from List A or, Combination of one selection from List B and one selection from List C • Form I-360 VAWA Self-Petition • Form I-130 Family-Based Visa Petition • Form I-797 Notice of Action • A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register.

CHAPTER 8

HOUSING QUALITY STANDARDS

AND RENT REASONABLENESS DETERMINATIONS [24 CFR 5 Subpart G and Notice PIH 2023-28]**INTRODUCTION**

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and Moderate Rehabilitation (Mod Rehab) assistance meet HUD's Housing Quality Standards (HQS) before October 1, 2024 and meet Housing Quality Standards (HQS) regulations and standards starting October 1, 2024. If HUD extends the deadline by which the HQS standards must be used, the AHA will continue to use the HQS inspection standards until the new deadline. Inspections are required before the Housing Assistance Payments (HAP) Contract is signed. Depending on program requirements, HQS will be required annually, biennially, or triennially as discussed in this chapter.

HUD also requires PHAs to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and AHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the AHA will make and the steps that will be taken when units do not meet the inspection protocol including HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the AHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

HQS standards are published on HUD's HQS website as well as in the HQS Final Rule [FR Notice 5/1//2023].

8-I.A. INSPECTABLE AREAS [24 CFR 5.703(a)(1) and 24 CFR 5.705(a)(2)]

HQS defines the inspectable areas for inspection under the standards as inside, outside and unit. The inspection requirement for the HCV and PBV programs only applies to units occupied or to be occupied by HCV or PBV participants and common areas and exterior areas which either service or are associated with such units.

Variance to the Acceptability Criteria:

On September 1, 2021, the HUD Field Office approved the AHA for a variance to Housing Quality Standards Acceptability Criteria pursuant to 24 CFR 982.401 (a)(4) for units at 1825 Poggi Street, Alameda. The variance is to allow the elevator to be inoperable. All other performance and acceptability standards for HCV-assisted housing must meet the guidelines at 24 CFR 982.401. This variance applies to the HQS inspection protocol only at this time.

8-I.B. AFFIRMATIVE HABITABILITY REQUIREMENTS [24 CFR 5.703(B), (C), AND (D)]

HQS provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside). These areas must meet these requirements for habitability, which are listed in Exhibit 8-1.

The inside, outside and unit must be free of health and safety hazards that pose a danger to residents. Types of health and safety concerns include, but are not limited to, carbon monoxide, electrical hazards, extreme temperature, flammable materials or other fire hazards, garbage and debris, handrail hazards, infestation, lead-based paint, mold, and structural soundness [24 CFR 5.703(e)].

The HQS Smoke Alarm Standard does not require that smoke alarms have a sealed battery; however, upon the effective date of the Public and Federally Assisted Housing Fire Safety Act of 2022 on December 29, 2024, sealed batteries will be required.

8-I.C. MODIFICATIONS TO PROVIDE ACCESSIBILITY [24 CFR 100.203; NOTICE 2003-31; AND NOTICE PIH 2014-02]Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31]. See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

8.I.D. ADDITIONAL LOCAL REQUIREMENTS

The AHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if the AHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

8.I.E. LIFE THREATENING CONDITIONS [NOTICE PIH 2023-28]

HUD previously required the PHA to define life-threatening conditions in the administrative plan. The HQS standards now describe those conditions which are considered life-threatening and must be corrected within 24 hours.

The following are a list of life-threatening deficiencies under HQS:

Call-for-Aid System

- System is blocked, or pull cord is higher than 6 inches off the floor; OR
- System does not function properly.

Carbon Monoxide Alarm

- Carbon monoxide alarm is missing, not installed, or not installed in a proper location;
- Carbon monoxide alarm is obstructed; OR
- Carbon monoxide alarm does not produce an audio or visual alarm when tested.

Chimney

- A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior; OR
- Chimney exhibits signs of structural failure.

Clothes Dryer Exhaust Ventilation

- Electric dryer transition duct is detached or missing;
- Gas dryer transition duct is detached or missing;
- Electric dryer exhaust ventilation system has restricted airflow;
- Dryer transition duct is constructed of unsuitable material; OR
- Gas dryer exhaust ventilation system has restricted airflow.

Door – Entry

- Entry door is missing.

Door – Fire Labeled

- Fire-labeled door is missing.

Egress

- Obstructed means of egress;
- Sleeping room is located on the third floor or below and has an obstructed rescue opening; OR

- Fire escape is obstructed.

Electrical – Conductor, Outlet, and Switch

- Outlet or switch is damaged;
- Exposed electrical conductor; OR
- Water is currently in contact with an electrical conductor.

Electrical – Service Panel

- The overcurrent protection device is damaged.

Exit Sign

- Exit sign is damaged, missing, obstructed, or not adequately illuminated

Fire Escape

- Fire extinguisher is damaged or missing.

Fire Extinguisher

- Fire extinguisher pressure gauge reads over or under-charged;
- Fire extinguisher service tag is missing, illegible, or expired; OR
- Fire extinguisher is damaged or missing.

Flammable and Combustible Items

- Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater; OR
- Improperly stored chemicals.

Guardrail

- Guardrail is missing or not installed; OR
- Guardrail is not functionally adequate.

Heating, Ventilation, and Air Conditioning (HVAC)

- The inspection date is on or between October 1 and March 31 and there is no permanently installed heating source and the interior temperature is below 60 degrees Fahrenheit and the exterior temperature is below 50 degrees Fahrenheit;
- T~~t~~he permanently installed heating source does not turn on or only produces cold or room temperature air; ~~is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit;~~
- The permanently installed cooling system does not turn on or only produces hot or room temperature air;
- Unvented space heater that burns gas, oil, or kerosene is present;
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance; OR
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.

Leak – Gas or Oil

- Natural gas, propane, or oil leak.

Mold-like Substance

- Presence of mold-like substance at extremely high levels is observed visually.

Smoke Alarm

- Smoke alarm is not installed where required;
- Smoke alarm is obstructed; OR
- Smoke alarm does not produce an audio or visual alarm when tested.

Sprinkler Assembly

- Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head;
- Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance;
- Sprinkler assembly has evidence of corrosion; OR
- Sprinkler assembly has evidence of foreign material that is detrimental to performance.

Structural System

- Structural system exhibits signs of serious failure.

Toilet

- Only 1 toilet was installed, and it is missing.

Water Heater

- Chimney or flue piping is blocked, misaligned, or missing; OR
- Gas shutoff valve is damaged, missing, or not installed.

8-I.F. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice such as items that are depreciated out over time due to losing value due to age.
- If the AHA determines that the family has purposely disconnected the smoke detector (by removing batteries or other means), the family will be required to repair the smoke detector within 24 hours and the AHA will reinspect the unit the following day. The AHA will issue a written warning to any family determined to have purposely disconnected the unit's smoke detector. This warning will state that deliberate disconnection of the unit's smoke detector is a safety and fire hazard and is considered a violation of HQS

If a family fails to correct a family caused life threatening condition as required by the AHA, the AHA may terminate the family's assistance. See 8-II.H.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

If an owner fails to correct life threatening conditions as required by the AHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G.

8-I-G. LEAD-BASED PAINT

PHAs and owners must comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance and Subpart H—Project-Based Assistance. Any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of HQS standards.

For the HCV program, Subpart M applies to units where a child under age six resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For PBV programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age six resides or is expected to reside in the unit. HQS does not alter any of the lead-based paint requirements in Part 35 for these programs.

SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the AHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from the AHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and the AHA will take action in accordance with Section 8-II.G.

AHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 15.

8-I-H. VIOLATION OF HQS SPACE STANDARDS [24 CFR 5.703(D)(5)]

Units assisted under the HCV or PBV programs must have at least one bedroom or living/sleeping room for each two persons. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. Each habitable room must have two working outlets or one working outlet and a permanent light. HUD defines a habitable room as a room in a building for living, sleeping, eating, or cooking, but excluding bathrooms, toilet rooms, closets, hallways, storage or utility spaces, and similar areas [FR Notice 5/11/23].

A unit that does not meet these space standards is defined as overcrowded.

If the AHA determines that a unit does not meet HQS space standards because of an increase in family size or a change in family composition, the AHA will issue the family a new voucher, and the family and AHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the AHA must terminate the HAP contract in accordance with its terms.

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

The AHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections*. The AHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.

  For units being added or substituted under a project-based HAP contract, these units must pass the HQS inspection before being added or substituted under the contract.

  Self-certification cannot be used on failures of an initial inspection.

- *Pre-Qualifying Initial Inspections.* For participants in the MTW program, the AHA will allow initial inspections of units to be conducted up to 90 days prior to unit lease-up. The unit must pass the HQS inspection before the effective date of the HAP Contract. Participants or landlords can request a special (interim) inspection at any time.

- *Periodic Inspections*. The AHA will inspect each unit under lease at least once every three years to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's regular reexamination but also may be conducted separately. The AHA may elect to inspect more frequently if the owner or unit has a history of failing HQS inspections. Periodic inspection schedule will be determined by program:

  - *Annual Inspections*: Moderate Rehabilitation Single Room Occupancy Units

- *Biennial Inspections*: Families and participants under the Shelter Plus Care, VASH and EHV programs
- *Risk-Based Triennial Inspections*: Families and participants included in the MTW program not listed above. If a household passes their first triennial inspection they will remain on the triennial inspection schedule. If a household fails their first triennial inspection, they will have another inspection the following year. As such, the periodic inspection schedule for households is dependent on the result of the first inspection and the inspection schedule can change accordingly each time.

Under the project-based voucher program, the AHA can inspect a random sample of units at each property, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. If more than 20 percent of the annual sample of inspected contract units in a building fail the first annual inspection, the AHA will inspect all of the contract units in the building.

The AHA reserves the right to inspect any units on an annual basis rather than a biennial or triennial basis.

- *Special Inspections.* A special (interim) inspection may be requested by the AHA, owner, the family, or a third party between inspections.

Participants and landlords can request a special inspection at any time. A special inspection can be initiated by the AHA, if it receives indications that the family's unit is not in compliance with HQS. HUD or other third parties may require special inspections for program compliance.

- *Quality Control Inspections.* HUD requires that a sample of units be reinspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors. A representative sample of both tenant-based and project-based units will be inspected.

Inspection of AHA-owned Units [24 CFR 982.352(b), Federal Register / Vol. 82, No. 134 / Friday, July 14, 2017]

The AHA has obtained the services of an independent entity to perform all HQS inspections in cases where a family is receiving assistance in an AHA-owned unit. An AHA-owned unit is defined as a unit (1) Owned by the AHA; (2) owned by an entity wholly controlled by the AHA (such as Alameda Affordable Housing Corporation); or (3) owned by a limited liability company (LLC) or limited partnership in which the AHA (or an entity wholly controlled by the AHA) holds a controlling interest in the managing member or general partner. The independent entity must communicate the results of each inspection to the family and the AHA. The independent entity has been approved by HUD. The independent entity will provide the AHA and the San Francisco Field Office with the inspection reports.

The AHA may opt to schedule inspections to be completed at the anniversary date of the HAP contract, annually, biennially, or triennially from the last inspection date.

The AHA cannot use self-certification on its own units.

Inspection Costs

The AHA will not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of AHA-owned units, the AHA will compensate the independent entity from ongoing administrative fees for inspections performed. The AHA and the independent entity may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

Notice and Scheduling

The family must allow the AHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:30 a.m. and 5:00 p.m. Inspections will be conducted on business days only, Monday through Friday. In the case of a life-threatening emergency, the AHA will give as much notice as possible, given the nature of the emergency.

Attendance at inspections by owner and family

HUD permits the AHA to set policy regarding family and owner presence at the time of inspection.

When a family occupies the unit at the time of inspection an adult family member or designated adult representative must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

Inspection Under Special Housing Types

See Chapter 15 Part VIII for inspections of special housing types, including Shared Housing.

8-II.B. INITIAL INSPECTION [24 CFR 982.405(A)]

Timing of Initial Inspections

A unit must pass HQS before the effective date of the lease and HAP Contract. To the extent practicable, the AHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 10 calendar days of submission of the Request for Tenancy Approval (RFTA). In all cases, the AHA will inspect the unit within 15 days of the submission of a request for approval of the tenancy. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

Owners interested in offering specific unit(s) for rental to participants under the AHA's subsidy programs, may contact AHA Inspection Team requesting a pre-qualifying initial inspection at no charge. If the unit passes the pre-qualifying inspection by meeting HQS protocols, Owners must still submit a completed Request for Tenancy Approval (RFTA) for all units being leased to assisted applicants or participants. The AHA may house a family or participant who is eligible to be included under the MTW program in the unit for up to 90 days after the pre-qualifying inspection. If a family or participant who is not included in the MTW program turns in a RFTA for the unit, the unit will need to be re-inspected if the pre-qualifying inspection is more than 30 days old.

Inspection Results and Reinspections

If any HQS violations are identified, the owner will be notified of the deficiencies and be advised to notify the AHA when they have been corrected. The AHA will reinspect the unit within 7 calendar days of the date the owner notifies the AHA that the required corrections have been made. The owner may not use self-certification for initial inspections.

If the unit fails HQS at the time of the reinspection, the AHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The AHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying. Those utilities for which the family will be responsible for paying must have individual meters to determine individual family usage and costs. If a utility has a shared meter, the landlord is responsible for the cost.

If utility service is not available for testing at the time of the initial inspection, the AHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. The AHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by the AHA.

Appliances

If the family is responsible for supplying the stove and/or refrigerator, the AHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the AHA. The AHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8.II.C. PERIODIC INSPECTIONS [24 CFR 982.405(A)]

Scheduling the Inspection

Each unit under HAP contract must have periodic inspections. The schedule for periodic inspections by program can be found in Section 8-II.A Overview Types of Inspections.

If an adult family member or other adult designated by the family cannot be present on the scheduled date for good cause, the family may request that the AHA reschedule the inspection. The AHA and family will agree on a new inspection date that generally should take place within 7 calendar days of the originally scheduled date.

If the family misses a scheduled appointment for an inspection without notifying the AHA, the AHA will consider the family to have violated its obligation to make the unit available for inspection. Two “no-show” inspections where the family does not make the unit available after reasonable notice may result in termination of the family’s assistance in accordance with Chapter 12.

8-II.D. SPECIAL INSPECTIONS

The AHA will conduct a special inspection if the owner, family, or another source reports violations in the unit that would fail inspection protocol.

During a special inspection, the AHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the periodic inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled, the AHA may elect to conduct a full periodic inspection.

For families and participants included in the MTW program, the family or landlord may request a special inspection at any time.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(B)]

HUD requires an AHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, periodic, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8.II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Correction Timeframes

Each deficiency is identified in the NPSIRE standards as either life-threatening, severe, moderate, or low.

For units under HAP contract, life-threatening deficiencies must be corrected within 24 hours after notice has been provided. All other non-life-threatening deficiencies (severe and moderate) must be corrected within 30 days (or an AHA-approved extension) after notice has been provided. If low deficiencies are present in a unit, these deficiencies result in a pass and would only be noted by the inspector for informational purposes.

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the AHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

In the case of a project-based unit, the AHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the

AHA determines that a unit does not comply with HQS, the AHA will follow the same procedure for notice, corrective action, abatement and termination of PBV-assistance for the HAP contract unit as provided for units in the tenant-based voucher program. (Also see Sections 16-III.D. and 16-IX.A.).

When life threatening conditions are identified, the AHA will immediately notify both parties. The first level of notice is in-person during the inspection, and this will begin the 24-hour correction period. If either party is not present at the inspection, the next level of notice will be by telephone at the telephone number of record, with a verbal message left if possible, and this will serve as the start of the 24-hour correction period. If the AHA has an email address for either or both parties, notice will be sent via email as well. As a last resort, the notice will be mailed, but this does not remove the 24-hour requirement for correction of the life-threatening condition. The notice will specify who is responsible for correcting the violation. The responsible party must correct the defect within 24 hours.

When failures that are not life-threatening are identified, the AHA will send the owner and the family a written notification of the inspection results within seven calendar days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. The responsible party must correct the defect within 30 calendar days from the date of the failed inspection (or by the end of any AHA-approved extension).

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any AHA-approved extension), the owner's HAP will be abated in accordance with AHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any AHA-approved extension, if applicable) the family's assistance will be terminated in accordance with AHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the AHA cannot grant an extension to the 24-hour corrective action period. For conditions that are not life-threatening, the AHA may grant an exception to the required time frames for correcting the violation, if the AHA determines that an extension is appropriate [24 CFR 982.404]. A retroactive extension may be requested for 10 days after the date of the letter of abatement but must be approved by the director.

Extensions will be granted in cases where the AHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available.
- A repair is expensive (e.g., exterior painting or roof repair) and the owner needs time to obtain funds.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days once the weather conditions have subsided.

Owners must make requests for extensions in writing and include verification of the reason the extension is needed.

Reinspections and Self-Certification

For failures due to life-threatening conditions, the AHA will conduct a reinspection on the following day to document that the defect was corrected within 24 hours.

For non-life-threatening defects, if there are fewer than five fail items in the first inspection, self-certification by the owner and tenant can be used to establish compliance with HQS. For a re-inspection with fewer than two fail items, self-certification can be used. Owner/Landlord must have a documented history of HQS compliance through AHA to qualify for the use of this Owner/Tenant Certification of Repairs form. AHA may verify the completeness of all repairs by a Quality Control Inspection within 90 days of the initial date of inspection.

If there are more than five fail items, the AHA will schedule a reinspection approximately one week before the end of the 30-day corrective period, or any AHA-approved extension. The family and owner will be given reasonable notice of the reinspection appointment.

If the deficiencies have not been corrected by the time of the reinspection or if the AHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, the AHA will immediately send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family in accordance with Chapter 12, in accordance with AHA policies.

8.II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, the AHA must take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by the AHA, HUD requires the AHA to abate HAP no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. AHA will terminate HAP on the 31st day after the inspection. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the tenant-based voucher holder family's responsibility. Owner rents are abated for project-based units regardless of fault. (See Sections 16-III.D. and 16-IX.A.).

The AHA will abate HAP beginning with the first day of the month after the AHA specified correction period (including any extension) has been reached and the owner has failed to make the correction.

The AHA will inspect abated units within seven calendar days of the owner's notification that the work has been completed. (Self-certification cannot be used with abated units.) Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

The AHA must decide how long any abatement period will continue before the HAP contract will be terminated. The AHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time and will give the owner reasonable notice of the termination. The AHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

The maximum length of time HAP may be abated is 90 days. Reasonable notice of HAP contract termination by the AHA is 30 days. In general, if HQS defects for which HAP is being abated are not corrected by the end of the first month of HAP abatement, the AHA will notify the owner that the HAP contract will be terminated no later than the end of the 90-day abatement period. The AHA will issue a voucher to the tenant family if this has not already been requested by the family. If the owner completes corrections and notifies the AHA before the termination date of the HAP contract, however, the AHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit, and (2) the unit passes inspection.

8.II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(B)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the AHA (and any extensions), the AHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

No HAP contract can be approved until the AHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

AHA-owned Units [24 CFR 982.352(b), Federal Register / Vol. 82, No. 134 / Friday, July 14, 2017]

In cases where an HCV family is receiving assistance in a AHA-owned unit, the AHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. AHA-owned unit is defined as a unit that is (1) Owned by the AHA; (2) owned by an entity wholly controlled by the AHA (such as Alameda Affordable Housing Corporation); or (3) owned by a limited liability company (LLC) or limited partnership in which the AHA (or an entity wholly controlled by the AHA) holds a controlling interest in the managing member or general partner. The independent agency must communicate the results of the rent reasonableness determination to the family and the AHA. The independent agency must be approved by HUD and may be the unit of general local government for the AHA jurisdiction (unless the AHA is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-initiated Rent Determinations

The AHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment. See 9-I.H. Changes in Lease or Rent for additional information about requesting rent adjustments.

The owner and family first negotiate the rent for a unit. The AHA (or independent agency in the case of AHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the AHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the AHA may request owners to provide information about the rents charged for other units on the premises. In evaluating the proposed rents in comparison to other units on the premises the AHA will consider unit size and length of tenancy in the other units. The AHA will determine whether the requested increase is reasonable within 30 calendar days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases must be in compliance with Assembly Bill 1482, also known as the Tenant Protections Act of 2019, for all units that are not exempted by this Bill. If the AHA finds that a rent increase for a non-exempted unit is not in compliance with this Bill, the AHA will notify the owner in writing and provide an opportunity for the owner to revise their request to be in compliance.

If the request for rent increase coincides with the annual reexam, the adjustment will be effective on the same date the annual reexam takes effect. All other rents adjustments will be effective the first of the month following 60 days after the AHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

AHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires the AHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the AHA to make a determination at any other time. The AHA may decide that a new determination of rent reasonableness is needed at any time.

In addition to the instances described above, the AHA will always make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the AHA determines that the initial rent reasonableness determination was in error or (2) the AHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires AHA to take into consideration the factors listed below when determining rent comparability. The AHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the AHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the AHA information regarding rents charged for other units on the premises.

8-III.D . AHA RENT REASONABLENESS METHODOLOGY

How Market Data is Collected

The AHA may collect and maintain data on market rents in the AHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 24 months old will be eliminated from the database. AHA is choosing to use an automated database system at this time. If adequate information of unassisted units is not available in the automated database AHA will use the aforementioned process to determine reasonable rents.

How Rents are Determined

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The AHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the AHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.

The AHA will notify the owner of the rent the AHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The AHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 7 calendar days of the AHA's request for information or the owner's request to submit information.

CHAPTER 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and AHA policies governing moves within or outside the AHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the AHA's HCV program, whether the family moves to another unit within the AHA's jurisdiction or to a unit outside the AHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the AHA's jurisdiction. This part also covers the special responsibilities that the AHA has under portability regulations and procedures.

PART I. MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD lists five regulatory conditions and a statutory condition under VAWA in which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)] with tenant-based assistance and with project-based assistance, any time after the first year of occupancy. If the family terminates the lease on notice to the owner, the family must give the AHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].

  If the family in a project-based voucher unit wishes to move with continued tenant-based assistance, the family must contact the AHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with these requirements and the AHA has the available resources, the AHA will offer the family the opportunity for continued tenant-based assistance, in the form of a Housing Choice Voucher.

  If a voucher is not immediately available upon termination of the family's lease in the PBV unit, the AHA will give the family priority to receive the next available voucher. If the family terminates the assisted lease before the end of the first year, the family relinquishes the Housing Choice Voucher assistance. [24 CFR 983.260]

- The Violence Against Woman Reauthorization Act of 2022 provides that "a family may receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the Section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit." [Pub.L. 113-4]

- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)]. If the family and the owner mutually agree to terminate the lease for the family's unit, the family will give the AHA a copy of the termination agreement. The initial lease term must be for at least one year for a project-based unit and may not be terminated without good cause. In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.
- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the AHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The AHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].
- The AHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the AHA will issue the family a new voucher, and the family and AHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the AHA will terminate the HAP contract for the tenant-based voucher family's old unit in accordance with the HAP contract terms and will notify both the family and the owner of the termination. The tenant-based voucher HAP contract terminates at the end of the calendar month that follows the calendar month in which the AHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

  If the family lives in a PBV unit, the family and the owner will be notified within 14 calendar days that the family will be offered continued assistance in another unit. This assistance may be in one of the following forms:

  - Another project-based voucher unit or
  - A tenant-based voucher.

  If the AHA offers the family the opportunity to receive a tenant-based voucher, the AHA will terminate HAP for the wrong-sized PBV unit at expiration of the term of the family's HCV voucher including any extension granted by the AHA. If the AHA offers the family the opportunity for another PBV unit and the family does not accept the offer or does not move out of the wrong-sized PBV unit within 30 calendar days from the date of the offer to accept the other unit, the AHA will terminate HAP for the wrong-sized or accessible unit, at the expiration of the 30-day time period.

10-I.B. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

Denial of Moves

HUD regulations permit the AHA to deny a family permission to move under the following conditions:

Insufficient Funding

The AHA may deny a family permission to move if the AHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)].

The AHA will deny a family permission to move on grounds that the AHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the AHA; (b) the AHA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the AHA can demonstrate, through a detailed cost-reduction plan based on reasonable assumptions, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs. This policy applies to moves within the AHA's jurisdiction as well as to moves outside it under portability.

Grounds for Denial or Termination of Assistance

The AHA has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)]. VAWA creates an exception to these restrictions for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit. [Pub.L. 113-4]

If the AHA has grounds for denying or terminating a family's assistance, the AHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances. Refer to section 3-III.G and 12-II.E for VAWA provisions.

Moves through portability can be denied if the family is in violation of program regulations or moved out of the unit in violation of the lease [24 CFR 982.353 (b)]. Refer to section 3-III.G and 12-II.E for VAWA provisions.

Restrictions on Elective Moves [24 CFR 982.314(c)]

HUD regulations permit the AHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the AHA to prohibit more than one elective move by a participant family during any 12-month period.

The AHA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within the AHA's jurisdiction or outside it under portability.

The AHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, the AHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify the AHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the AHA's jurisdiction under portability, the notice to the AHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2016-9]. The notices must be in writing [24 CFR 982.5]. Notification to the AHA can be made before notification to the owner; however, the AHA will not complete the moving process until notice is given to the landlord. Duplicative assistance on two units will not be paid.

Approval

Upon receipt of a family's notification that it wishes to move, the AHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. The AHA will notify the family in writing of its determination within 14 calendar days following receipt of the family's notification.

Reexamination of Family Income and Composition

When a family wishes to move to another dwelling unit, no reexamination will be scheduled. The family's anniversary date will not change.

For families moving into or families approved to move out of the AHA's jurisdiction under portability, the AHA will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

For families approved to move to a new unit within the AHA's jurisdiction, the AHA will issue a new voucher within 14 calendar days of the AHA's approval to move. No briefing is required for these families. The AHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the AHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the AHA's jurisdiction under portability, the AHA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, the AHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit is not considered to constitute a duplicative housing subsidy. However, the terms of the leases may not generally overlap (see next paragraph for exception). The AHA will not pay a housing assistance payment on two units on the first of the month.

However, the AHA will not pay more than three days of overlap of HAP without special documented approval for extenuating circumstances, such as reasonable accommodation for the disabled, non-voluntary displacement of tenants due to landlord or City action.

PART II: PORTABILITY

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The first PHA is called the **initial PHA.** The second is called the **receiving PHA.**

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. The AHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

10-II.B. INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one such PHA, the initial PHA provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the AHA's jurisdiction under portability. The initial PHA, in accordance with HUD regulations and AHA policy, determines whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside the AHA's jurisdiction under portability (see restrictions to non-resident applicants). However, HUD gives the AHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

In determining whether or not to deny an applicant family permission to move under portability because the AHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter.

In addition, the AHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the AHA's jurisdiction at the time the family's application for assistance was submitted, the family must live in the AHA's jurisdiction with voucher assistance for at least 12 months before requesting portability.

The AHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2), in special circumstances, for family unification, or hard to house families with the approval of the Executive Director. Any exception to this policy, however, is subject to the approval of the receiving PHA [24 CFR 982.353(c)(3)].

Participant Families

The Initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. [24 CFR 982.353(b).] VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit.

The AHA will determine whether a participant family may move out of the AHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The AHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(1)]. The family must specify the area to which the family wishes to move [Notice 2016-9].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-9].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

For a participant family approved to move out of its jurisdiction under portability, the AHA generally will conduct a reexamination of family income and composition only if the family's regular reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The AHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the AHA to provide information on portability to all applicant families that qualify to lease a unit outside the AHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

No formal briefing will be required for a participant family wishing to move outside the AHA's jurisdiction under portability. However, the AHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). The AHA will provide the name, address, and phone of the contact for the PHA in the jurisdiction to which the family wishes to move. The AHA will advise the family that they will be under the receiving PHA's policies and procedures, including subsidy standards and payment standards.

Voucher Issuance and Term

An applicant family has no right to portability [24 CFR 982.353(c)(2)(ii)]. In issuing vouchers to applicant families, the AHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

For participant families approved to move under portability, the AHA will issue a new voucher within 14 calendar days of the AHA's written approval to move.

The initial term of the voucher will be 180 days.

Voucher Extensions and Expiration

The AHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the AHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the AHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the AHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction and billing must be received within 90 days following the expiration date of the AHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Initial Contact with the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(6)]. This means that the initial PHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2016-9]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(b)].

Because the portability process is time-sensitive, the AHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The AHA also will ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for incoming portable families and procedures related to appointments for voucher issuance. The AHA will pass this information along to the family. The AHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

The AHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-9]
- A copy of the family's voucher [Notice PIH 2016-9]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-9]
- Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-9]

In addition to these documents, the AHA will provide the following information, if available, to the receiving AHA:

- Documentation of Social Security Numbers for all family members age 6 and over
- Documentation of legal identity
- Documentation of citizenship or eligible immigration status
- ~~Documentation of participation in the earned income disallowance (EID) benefit~~
- Documentation of participation in a family self-sufficiency (FSS) program

The AHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB Moves and Portability Pg. 13].

Initial Billing Deadline [Notice PIH 2016-9]

When the initial PHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 90 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the initial PHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

If the AHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail. If the receiving PHA reports that the family is not yet under HAP contract, the AHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The AHA will send the receiving PHA a written confirmation of its decision by e-mail or other confirmed delivery method such as DocuSign.

The AHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-9]

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over-leasing or funding shortfalls. The AHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 from the receiving PHA at each reexamination even if there are not changes to the billing [PIH Notice 2016-9]. If the initial PHA fails to receive an updated 50058 by the family's regular reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

Subsequent Family Moves

Within the Receiving PHA's Jurisdiction [24 CFR 982.354(e)(1), Notice PIH 2016-9]

The initial PHA has the authority to deny subsequent moves by portable families whom it is assisting under portability billing arrangements if it does not have sufficient funding for continued assistance.

If the AHA determines that it must deny moves on the grounds that it lacks sufficient funding (see section 10-I.B), it will notify all receiving PHAs with which it has entered into portability billing arrangements that they, too, must deny moves to higher cost units by portable families from the AHA's jurisdiction.

The AHA will allow exceptions to this policy for purposes of reasonable accommodation of a family member who is a person with disabilities.

Outside the Receiving PHA's Jurisdiction [Notice PIH2016-9]

If the initial PHA is assisting a portable family under a billing arrangement and the family subsequently decides to move out of the receiving PHA's jurisdiction, the initial PHA is responsible for issuing the family a voucher while the family is either being assisted or has a voucher from the receiving PHA and, if the family wishes to port to another jurisdiction, sending form HUD-52665 and supporting documentation to the new receiving PHA. Any extensions of the initial PHA voucher necessary to allow the family additional search-time to return to the initial PHA's jurisdiction or to move to another jurisdiction would be at the discretion of the initial PHA.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]

If the initial PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the initial PHA may act on those grounds at any time. (For AHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(a)].

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit or voucher size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(12)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

Initial Contact with Family

When a family moves into the AHA's jurisdiction under portability, the family is responsible for promptly contacting the AHA and complying with the AHA's procedures for incoming portable families [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA does not process the family's paperwork but instead refers the family back to the initial PHA [Notice PIH 2016-9)

When a portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program [24 CFR 982.355(c)(3)]. If the PHA initially bills the initial PHA for the family's assistance, it may later decide to absorb the family into its own program [Notice PIH 2016-9]. (See "Absorbing a Portable Family" for more on this topic.)

Within 14 calendar days after receiving the port packet, the AHA will notify the initial PHA whether it intends to bill the initial PHA on behalf of the portable family or absorb the family into its own program.

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-9]. (For more on this topic, see "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2016-9].

The AHA will not require the family to attend a briefing. The AHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual meeting, will orally inform the family about the AHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination

HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(11)]. However, the receiving PHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income eligible for admission to the program in the area where the family wishes to lease a unit [Notice PIH 2016-9]. The receiving PHA does not redetermine income eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)].

For any family moving into its jurisdiction under portability, the AHA will conduct a reexamination of family income and composition, including criminal background checks on adult household members. However, the AHA will not delay issuing the family a voucher for this reason. Nor will the AHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the AHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the AHA will rely upon any verifications provided by the initial PHA to the extent that the verification (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2016-9].

When a family ports into its jurisdiction, the AHA will issue the family a voucher based on the paperwork provided by the family unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with the AHA's procedures. The AHA will update the family's information when verification has been completed.

Voucher Term

The term of the receiving PHA voucher may not expire before 30 calendar days from the expiration date of the initial PHA voucher [24 CFR 982.355 (13)].

Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-9]

The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

The AHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the AHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The AHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH2016-9]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction. [Notice PIH 2016-9]

Administering a Portable Family's Voucher

Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 90 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2016-9]. A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

The AHA will send its initial billing notice by fax, e-mail, or other method that has a delivery confirmation method such as DocuSign to meet the billing deadline.

If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is over-leased) [Notice PIH 2016-9].

Ongoing Notification Responsibilities [Notice PIH 2016-9, HUD-52665]

Regular reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each regular reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

The AHA will send a copy of the updated HUD-50058 at the same time the participant and owner are notified of the reexamination results.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

Late Payments [Notice PIH 2016-9]

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2016-9]

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-9.

Denial or Termination of Assistance

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement. [Notice PIH 2016-9]

If the AHA elects to deny or terminate assistance for a portable family, the AHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The AHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 15. The AHA will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in over-leasing [24 CFR 982.355(d)(1), Notice PIH 2016-9].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vi)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family. [Notice PIH 2016-9]

If the AHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the AHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the AHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability.

CHAPTER 11

REEXAMINATIONS

INTRODUCTION

The AHA is required to reexamine each family's income and composition regularly, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and AHA policies concerning reexaminations are presented in three parts:

Part I: Regular Reexaminations. This part discusses the process for conducting regular reexaminations. The schedule is different for families or participants included under MTW activities than those for families not included under MTW activities.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between regular reexaminations. These reporting requirements are different for families or participants included under MTW activities than those for families not included under MTW activities.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of regular and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both regular and interim reexaminations.

For families and participants included in MTW activities:

The Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6 applied to both regular and interim reexaminations.

PART I: REGULAR REEXAMINATIONS [24 CFR 982.516, MTW OPERATIONS NOTICE]

11-I.A. OVERVIEW

The AHA must conduct a reexamination of family income and composition at least annually for families and participants not included in the MTW program and triennially for families and participants included in the MTW program. This includes gathering and verifying current information about family composition, income, and expenses.

Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for regular reexaminations, the information to be collected and verified, and regular reexamination effective dates.

11-I.B. SCHEDULING REGULAR REEXAMINATIONS

The AHA must establish a policy to ensure that the regular reexamination for each family is completed *within* the required deadlines.

For families and participants not included in MTW:

This reexamination schedule is a 12-month period, but AHA may require reexaminations more frequently [HCV GB Reexaminations pg. 6].

For families and participants included in MTW:

This reexamination schedule is a 36-month period, but AHA may require reexaminations more frequently. Families receiving zero income or less than $5,000 per adult annually in income will be required to complete reexaminations annually.

The AHA will begin the regular reexamination process 120 days in advance of its scheduled effective date. Generally, the AHA will schedule regular reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 or 36 months from the effective date of the family's last regular reexamination. The AHA will assign participants to a regular reexamination date based on the AHA's workflow and business needs.

If the family moves to a new unit, the AHA will not perform a new regular reexamination.

The AHA also may schedule a regular reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Regular Reexamination Process

The AHA is required to obtain the information needed to conduct regular reexaminations. How that information will be collected is left to the discretion of the AHA.

For families and participants not included in MTW:

Reexamination interviews will take place annually on a platform of the AHA's choosing which includes, but is not limited to, in-person and virtual meetings, and must be attended by all adult household members. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the AHA to request reasonable accommodation (see Chapter 2).

Notification of the reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the AHA, and the deadline for providing it. Documents will be accepted by mail, by e-mail, by fax, or in person.

For families and participants included in MTW:

Reexamination interviews will take place once every three years on a platform of the AHA's choosing which includes, but is not limited to, in-person and virtual meetings, and must be attended by all adult household members. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the AHA to request reasonable accommodation (see Chapter 2).

If a mailed notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

An interview will be scheduled if the family requests assistance in providing information or documentation requested by the AHA.

Notification of reexamination interviews will be sent by first-class mail or e-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 AHA in advance of the interview to schedule a new appointment. If a family misses the scheduled interview without notifying the AHA within 24 hours of the appointment, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

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

11-I.C. CONDUCTING REGULAR REEXAMINATIONS

As part of the regular reexamination process, families are required to provide updated information to the AHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

Families will be asked to supply all required information before the deadline specified in the notice. The required information will include an AHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview or by other means (mail, e-mail, through the portal, or by fax) must be provided within 14 calendar days of the date the AHA notifies the family. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

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 agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Streamlined re-certification for fixed sources of incomes. 24 CFR 982.516

The AHA has selected to adopt a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification.

For the family member's income from fixed sources, the AHA must perform third-party verification at least every three years. The AHA must continue to conduct third-party verification of deductions. For the fixed income source on the first year after the third-party verification, the AHA will determine if the source is a fixed source of income, and if it is, will use a third-party verified cost of living adjustment (COLA) to calculate the increased income. The second year after the third-party verification, the AHA will use a third-party verified cost of living adjustment (COLA) to calculate the increased income. The next year will require a third-party verification of the fixed source of income and not just the COLA. Public sources, such as the Social Security Administration's website can be used to verify a COLA.

Fixed sources of income include income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans;
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

Adding New Family Member If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), the AHA must issue the family a new voucher, and the family and AHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the AHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

In the case of a PBV unit, the family and the owner will be notified within 14 calendar days that the family will be offered continued assistance in another unit. This assistance may be in one of the following forms:

- Another project-based unit; or
- A tenant-based voucher;

See Chapter 16 Section 16-VII.C. *Moves Overcrowded, Under-Occupied, and Accessible Units* for timelines for PBV moves.

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(B)(5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis for non-MTW families and on a triennial basis for MTW families. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from the individual's parents in accordance with AHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

During the regular reexamination process, the AHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from the individual's parents based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on the individual's own income or the income of the individual's parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of the individual's parents (if applicable), the AHA will process a reexamination in accordance with the policies in this chapter.

11-I.E. EFFECTIVE DATES

The AHA must establish policies concerning the effective date of changes that result from a reexamination [24 CFR 982.516].

In general, an *increase* in the family share of the rent that results from a regular reexamination will take effect on the date set by the AHA for the regular reexamination, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the family causes a delay in processing the regular reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the regular reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 15.

For families and participants not included in MTW activities:

In general, a *decrease* in the family share of the rent that results from a regular reexamination will take effect on the family's anniversary date.

For families and participants included in MTW activities:

In general, a *decrease* in the family share of the rent that results from a regular reexamination will take effect on the date set by AHA for the regular reexamination.

If the family causes a delay in processing the regular reexamination, d*ecreases* 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 AHA by the date specified, and this delay prevents the AHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change throughout the period between regular reexaminations. HUD and AHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the AHA must process interim reexaminations to reflect those changes. HUD regulations also permit the AHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. However, see below for interim limitations for families included in MTW activities. The AHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and AHA policies describing what changes families are required to report, what changes families may choose to report, and how the AHA will process both AHA- and family-initiated interim reexaminations.

For families and participants included in MTW activities:

Activity 2022-02 allows the agency to establish a limit on the number of interim reexaminations between regular reexaminations. The AHA is limiting households to one interim per year. Families may follow request additional interims as outlined in the Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The AHA must adopt policies prescribing when and under what conditions the family must report changes in family composition.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require AHA approval. However, the family is required to promptly notify the AHA of the addition [24 CFR 982.551(h)(2)].

For families and participants not included in MTW activities:

The family must inform the AHA of the birth, adoption or court-awarded custody of a child within 14 calendar days.

For families and participants included in the MTW activities:

Family composition changes for family members not requiring approval would be processed at the next triennial or when the household transfers.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request AHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)]. Families must request AHA 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 14 consecutive days, or 30 cumulative days, within a 12-month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the landlord and AHA prior to the individual moving in the unit.

When any new family member is added, the AHA must conduct a reexamination to determine any new income or deductions associated with the additional family member, and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the AHA must issue the family a new voucher, and the family and AHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the AHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

Interims could be requested for additional adults to meet approved reasonable accommodations at any time.

The AHA will not approve the addition of a new family or household member unless the individual meets the AHA's eligibility criteria (see Chapter 3).

The AHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the AHA determines an individual meets the AHA's eligibility criteria as defined in Chapter 3, the AHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move.

If the AHA determines that an individual does not meet the AHA's eligibility criteria as defined in Chapter 3, the AHA 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 AHA will make its determination within 14 calendar days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the AHA if any family member no longer lives in the unit within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member.

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the AHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

If a household member ceases to reside in the unit, the family must inform the AHA within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the AHA within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member.

If the family requests an interim to remove a family member and this would result in the family being over-housed and needing to move the family would be required to downsize one (1) year from the date of the interim.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the AHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the AHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so. The AHA will process interims within 45 days of receiving the request.

AHA-Initiated Interim Reexaminations

AHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the AHA. They are not scheduled because of changes reported by the family.

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

~~For families receiving the Earned Income Disallowance (EID), the AHA will conduct an interim reexamination at the start and conclusion of the second 12-month exclusion period (50 percent phase-in period).~~

If the family has reported zero income, the AHA will conduct an interim reexamination every 90 days as long as the family continues to report that they have no income. If recurring income from outside the house is disclosed on this form, such as family contributions, the income will be added to the family's income for rent calculation purposes.

If at the time of the regular reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the AHA will conduct an interim reexamination.

The AHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The AHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. These policies differ for families not included in MTW activities versus families included in MTW activities.

For families and participants not included in MTW activities:

HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

For families and participants included in MTW activities:

Income increase(s) resulting in an increase of 10% from the last regular reexamination or interim, whichever came last, need to be reported. Increases of less than 10% do not need to be reported between regular recertifications. Cumulative increases resulting in more than 10% of income increases need to be reported when the 10% level is reached.

For income decreases, there is a one interim per calendar year limit for families under MTW Activity 2022-02. The family must show that the gross income loss is greater than 10% from the income used at the last income calculation in order to receive an interim.

Families may request an interim that does not meet the above conditions or additional interims, but the family must meet the qualifications under the Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6.

Required Reporting

HUD regulations give the AHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

For families and participants not included in MTW activities:

Families are required to report all increases in income, including new employment, within 14 calendar days of the date the change takes effect.

For families and participants included in MTW activities:

Families must report increases in income that meet the 10% threshold within 14 calendar days of the date the change that causes the family to reach the threshold takes effect.

The AHA will conduct an interim reexamination if the tenant reports an annual increase in gross income of 10% or more. If the result is an increase in the tenant's portion of the rent, the increase will be effective on the first day of the second month following the month in which the change occurred.

In all other cases, the AHA will note the information in the tenant file but will not conduct an interim reexamination.

Optional Reporting for Families and Participants Not Included in MTW Activities

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The AHA must process the request if the family reports a change that will result in a reduced family income.

Welfare Benefits Decrease

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

The family must notify the AHA of all changes by submitting a Report of Change on the Rent Café Portal within 14 calendar days.

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

Based on the type of change reported, the AHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 14 calendar days of receiving a request from the AHA. This time frame may be extended for good cause with AHA approval. The AHA will accept required documentation by mail, by e-mail, through the online portal, by fax, or in-person.

Effective Dates

The AHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported and provided required information within the required time frames.

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 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 on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 15.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported, and all required documentation was submitted. In cases where the change cannot be verified until after the date the change has become effective, the change will be made retroactively.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for a regular or interim reexamination, the AHA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2)]. The AHA will review an interim within 72 hours of receiving the interim request and will complete the interim and notify the participants of the results of the interim within 45 days of receiving the interim request. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the AHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB Payment Standards PG. 1]. See Chapter 6 for information on how to select the appropriate payment standard.

When the AHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the AHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
  - If the payment standard amount has i*ncreased,* the increased payment standard will be applied at the *first regular reexamination* following the effective date of the increase in the payment standard.
  - If the payment standard amount has *decreased*, the decreased payment standard will be applied at the time of move (transfer) or at the time of an annual that changes the payment standard due to a change in family composition.
- If the family moves to a new unit, the current payment standard applicable to the family will be used when the new HAP contract is processed.

- If a new HAP contract is executed due to changes in the lease (even if the family remains in place and the family composition stays the same) the higher of the old payment standard or the current payment standard will be used.
- For families included in MTW, if the owner requests a rent increase the most current payment standard will be applied if it is higher than the payment standard used in the last rent calculation for the family.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the AHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first regular reexamination* following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the AHA's utility allowance schedule [HCV GB Utility Allowances PG. 2]. Chapter 15 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the AHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the AHA must use the AHA current utility allowance schedule [24 CFR 982.517(d)(2)].

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first regular reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The AHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB Reexaminations PG. 5]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the AHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 15).

11-III.D. DISCREPANCIES

During a regular or interim reexamination, the AHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the AHA may discover errors made by the AHA.

When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 14.

CHAPTER 18

HUD-VASH PROGRAM

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the HUD-VASH program in five parts:

Part I: Overview of the Program. General overview of the HUD-VASH program and goals.

Part II: Eligibility and Admissions. Policies related to the admission of eligible veterans for the HUD-VASH program including screening criteria for both the Veterans Affairs Department and the AHA. This also includes changes in required documentation for social security numbers, income targeting, and limitations on background screening.

Part III: Continued Occupancy. Policies related to the ongoing occupancy of participants under the HUD-VASH program including leasing concerns, inspections, and moves.

Part IV: Termination. Policies related to the termination of the assistance under the VASH program.

Part V: Resources. Additional documents pertaining to the HUD-VASH program.

PART I. OVERVIEW OF THE PROGRAM

18-I.A. OVERVIEW

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics (CBOCs). The goal is to provide permanent housing for eligible homeless veterans.

The HUD-VASH program works through a Housing-First model. This model provides permanent housing as quickly as possible to those experiencing homelessness and then provides supportive services as needed. Due to this model, there are minimal requirements for admittance to the program. After housing is secured, participants are connected with supportive services, such as substance abuse counseling, to maintain recovery and housing in the community.

Moving to Work (MTW) activities do not include HUD-VASH applicants or participants with the exception of activity 2022-01 Payments Standards – Fair Market Rents.

18-I.B. RESPONSIBILITIES UNDER PROGRAM

The VAMC or CBOC's responsibilities include:

1. Screening of homeless veterans to determine whether they meet the HUD–VASH program participation criteria established by the VA national office;
2. Referring homeless veterans to the AHA;
3. Providing appropriate treatment and supportive services to potential HUD–VASH program participants, if needed, prior to AHA issuance of rental vouchers;
4. Identifying the social service and medical needs of HUD–VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
5. Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

The AHA's responsibilities include:

1. Determining limited eligibility criteria of families that have been referred by the partner VA
2. Maintaining documentation of referrals from the partner VA
3. Administer the vouchers in accordance with the AHA's Administrative Plan, AHA policies and procedures, and HUD regulation.

To support the HUD-VASH Housing-First model, certain voucher requirements are waived. In most ways, the HUD-VASH program follows regular voucher requirements (24 CFR Section 982 and 983). However, the HUD Secretary, in consultation with the VA Secretary, has the authority to waive or alter any provision for the effective delivery and administration of voucher assistance (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment).

HUD-VASH requirements differ from voucher requirements in eligibility, leasing, portability, and other categories. See the "HUD-VASH Reference Guide" for details.

PART II. ELIGIBILITY AND ADMISSION

18-II.A. ELIGIBILITY

Eligible families are homeless veterans and their families that are referred by the partnering VAMC. VA staff screen families according to the VA's screening criteria and determine clinical eligibility for the program. The VA criteria follow, but these are determined by VA staff and not the AHA:

Applicants must be VA health care eligible, meaning they have served in the active military and were separated under any condition except dishonorable. Applicants must also be homeless, as defined by The McKinney Homeless Assistance Act. Additionally, participants are expected to participate in case management and utilize the supportive services, treatment recommendations and assistance needed to successfully maintain recovery and housing in the community.

VA HUD–VASH case managers refer HUD–VASH-eligible families to the Housing Authority for housing assistance. The AHA **must** accept referrals from their VA partner.

Written documentation of these referrals **must** be maintained in the tenant file by the AHA. By agreeing to administer the HUD–VASH program, the AHA is relinquishing its authority to determine the eligibility of families in accordance with regular program rules and policies. The AHA will **not** have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD–VASH program.

When a VA case manager refers an applicant to the AHA, AHA staff determine if the applicant is eligible based **only** on the following:

1. Income limits and
2. If any member of the household maintains Lifetime Sexual Offender Registry status

The applicant is not eligible for HUD-VASH if they exceed income limits and/or if they maintain Lifetime Sexual Offender Registry status. The AHA uses the low income level for the VASH program compared to the very-low income level for all other vouchers.

It is prohibited to deny an applicant for any grounds permitted under 24 CFR 982.552 (broad denial for violations of program requirements) and 982.553 (specific denial for criminals and alcohol abusers), other than Lifetime Sexual Offender Registry Status. This applies to all family members. For instance, AHA cannot deny assistance to an otherwise eligible HUD-VASH family that owes money to a Housing Authority in connection with ~~a~~ past program participation.

However, when **new** family members are added **after** the veteran is a participant, 24 CFR 982.551(h)(2) and regular AHA screening criteria apply. Other than the birth, adoption, or court-awarded custody of a child, the AHA must approve additional family members and may apply its regular screening criteria in doing so.

18-II.B. ACCEPTABLE DOCUMENTATION

To verify Social Security numbers for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual along with other identifying information of the individual, is acceptable. The AHA must also accept self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, or benefit letter that contains the name of the individual in the absence of other documentation.

In the case of the homeless veteran, the AHA must accept the Certificate of Release or Discharge from Active Duty (DD–214) or the VA-verified Application for Health Benefits (10–10EZ) as verification of SSN and cannot require the veteran to provide a SSN card.

18-II.C. INCOME TARGETING

The income targeting requirement of 75% of families being extremely low-income does not apply to HUD-VASH. The AHA uses the ~~low~~ low-income level (80% Area Median Income) for the VASH program compared to the very-low income level for all other vouchers.

18-II.D. INCOME AND ASSET ELIGIBILITY

The AHA must determine income eligibility for HUD-VASH families in accordance with 24 CFR 982.201. VA service-connected disability benefits are excluded for purposes of determining income eligibility but included for purposes of calculating the total tenant payment (TTP), housing assistance payment, and family share.

The AHA cannot deny admission to a family with zero income. When the veteran family reports that they have zero income, the AHA must accept a self-certification of zero income. The AHA must accept a self-certification by the family that the family's total assets are equal to or less than $50,000 at new admission.

PART III. CONTINUED OCCUPANCY

18-III. A. LEASING

For the AHA's ~~VASH allocation, all vouchers are~~ project-based VASH vouchers~~. Since the vouchers are project-based vouchers~~, the family must live in the unit to which the assistance is tied for at least 12 months before transferring with assistance. For the AHA's tenant-based VASH vouchers, participants will have an initial search term of 180 days but may receive extensions as allowed under the Housing Choice Voucher program. This applies to the search term at both initial issuance and moves with assistance.

HUD-VASH assistance is allowed on the grounds of a VA medical facility for both HCV tenant-based vouchers for HUD-VASH families and all PBV units made exclusively available for HUD-VASH families.

18-III. B. UNIT INSPECTIONS

AHAs may pre-inspect units that veterans may be interested in leasing. If a family selects a unit that passed a HQS inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved.

18-III. C. PORTABILITY AND TRANSFERS

A family that moves under the portability procedures must not be subject to rescreening by the receiving PHA.

Families receiving HUD–VASH voucher assistance must receive case management services provided by a partnering VAMC or CBOC. Therefore, special mobility and portability procedures must be established. A HUD-VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. The VA must **always** be consulted prior to a move to ensure that case management will continue to be provided.

In accordance with 24 CFR § 983.261(a) and the lease, the family may terminate the assisted lease any time after the first year of occupancy. In 24 CFR § 983.261(b) it is further stated that if the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR § 983.3. However, in accordance with 24 CFR §

983.261(c), before providing notice to terminate the lease (with a copy to the PHA), the family must contact the PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance.

As a condition of PBV rental assistance, a HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the AHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC if there are available HCVs.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available and the family may receive a tenant-based VASH voucher, if available.

However, to ensure that all PBV units under a housing assistance payments contract remain continuously funded, the following must be implemented when a HUD-VASH family is eligible to move from its PBV unit and there is no other comparable tenant-based rental assistance to offer the family:

a. If a HUD-VASH tenant-based voucher (in another jurisdiction through portability) is not available at the time the family wants (and is eligible) to move, the AHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;
b. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the AHA would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the AHA and owner agree to remove the unit from the HAP contract; and
c. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the AHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available.

PORTABILITY WITHIN CATCHMENT AREA OF INITIAL VAMC OR CBOC

If the family initially leases up, or moves, under portability provisions, but the initial VAMC will still be able to provide the necessary case management services due to the family's proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. For example, a participant family initially received HUD-VASH assistance in the City of Alameda and t~~. T~~hey then wish to move Oakland. Since they are still close enough to the initial VAMC to receive services and participate in case management, they would be permitted to move.

If the receiving PHA does not have a HUD-VASH program, the AHA must bill the PHA.

The VASH amendment to HUD-Form 52665 will be attached.

PORTABILITY BEYOND CATCHMENT AREA OF INITIAL VAMC OR CBOC

If a family wants to move to another jurisdiction where it will not be possible for the initial VAMC to provide case management services, the VAMC must first determine that the HUD–VASH family could be served by another VAMC that is participating in this program. The receiving PHA must also have a HUD–VASH voucher available for this family. In these cases, the families must be absorbed by the receiving PHA.

PORTABILITY MOVES DUE TO DOMEST VIOLENCE, DATING VIOLENCE, SEXUAL ASSUALT, OR STALKING

The initial PHA must follow its emergency transfer plan as described in 24 CFR 5.2005(e).

PORTABILITY WHEN CASE MANAGEMENT IS NO LONGER REQUIRED

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

18-III. D. FAMILY BREAK-UP

The HUD-VASH voucher will remain with the veteran in the case of family break-ups. The only exception to this would be protections for victims under VAWA and the veteran is the perpetrator in which case the ~~.~~victim must continue to be assisted. Upon termination of the perpetrator's HUD-VASH voucher, the victim must be given a regular HCV if one is available, and the perpetrator's HUD-VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available for the victim, the perpetrator must be terminated from assistance, and the victim will continue to utilize the HUD-VASH voucher.

PART IV. TERMINATION

A participant cannot be terminated from the program for a reason that could not be used for denying admission to the program. Prior to any termination action, the AHA will contact the VA case manager to determine if there are extenuating circumstances that should be considered to avoid the termination.

The AHA **may** terminate assistance for the following reasons:

1. Program violations that occur after admission to the voucher program

A HUD–VASH participant family must not be terminated after admission for a circumstance or activity that occurred before admission and was known to the AHA, but could not be considered at the time due to the HUD–VASH Operating Requirements. For instance, once accepted to the program, a family could not be terminated for money owed to the AHA on a past voucher; however, families are not protected if violations occur after admission. The AHA will work with the VA to find alternatives to termination to minor program infractions as long as the AHA staff and other residents are not endangered by the family's behavior.

2. Failure to participate, without good cause, in case management as verified by the VAMC

As a condition of receiving rental assistance, a HUD–VASH-eligible family must receive case management services from the VAMC or CBOC. Therefore, a HUD–~~–~~VASH participant family's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or CBOC.

However, a VAMC or CBOC determination that the participant family no longer requires case management is **not** grounds for termination of assistance. In such a case, the AHA may offer the family continued HCV assistance through one of its regular vouchers, to free up the HUD–VASH voucher for another eligible family referred by the VAMC or CBOC. If the AHA has no voucher to offer, the family will retain its HUD–VASH voucher until such time as the AHA has an available voucher for the family.

PART V. MORE INFORMATION

Up to date information can be found on HUD's "HUD-VASH Vouchers" webpage:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash

HUD-VASH OPERATING REQUIREMENTS:

http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-7081.pdf

This notice establishes the policies and procedures for the administration for the administration of tenant-based HCV rental assistance under the HUD-VASH program. In this second version of the HUD-VASH Operating Requirements published on March 23, 2012, HUD provides new and clarifying guidance on verification documentation, the addition of family members after the veteran is a participant in the HCV program, PHA termination of assistance, portability moves, reallocation of HUD-VASH vouchers, and Housing Quality Standards (HQS) initial inspections.

HUD-VASH QUESTIONS AND ANSWERS

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9175.pdf

These Qs & As serve as a supplement to the HUD-VASH Operating Requirements published in the Federal Register on May 6 and 19, 2008.

HUD-VASH REFERENCE GUIDE

http://portal.hud.gov/huddoc/vash-referguide2012-10.pdf

This two-page document provides an easy-to-read overview of the unique requirements that govern the voucher side of the HUD-VASH program.

HUD-VASH 101 WEBINAR; HUD-VASH 101 SLIDES:

http://portal.hud.gov/hudportal/documents/huddoc?id=vash-101-slides.pdf

HUD-VASH webinar on January 24, 2012.

HUD-VASH BEST PRACTICES - VERSION 1.0:

http://portal.hud.gov/huddoc/VASH-BestPractices.pdf

The purpose of this working document is to spread the word about effective strategies for administering HUD-VASH, as well as highlight the innovation and dedication of HUD-VASH sites and our partners in the field.

CHAPTER 19

EMERGENCY HOUSING VOUCHERS/ STABILITY VOUCHERS

Effective July 21, 2021

INTRODUCTION

This chapter describes the HUD regulations and PHA policies related to the Emergency Housing Vouchers (EHVs) as outlined in PIH Notice 2021-15.

Part I: Overview of the Program. General overview of the EHV program and goals. Overview of Stability Vouchers and differences from EHV.

Part II: Eligibility and Admissions. Policies related to eligible families and admission into the EHV program.

Part III: Continued Occupancy. HCV Policies will govern the EHV program.

Part IV: Termination and Reissuance. Policies related to termination and reissuance of EHV program vouchers.

PART I. OVERVIEW OF THE PROGRAMS

19-I.A. OVERVIEW OF EMERGENCY HOUSING VOUCHERS (EHV)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to in this notice as “the ARP”) into law, which provides over $1.9 trillion in relief to address the continued impact of the -COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Section 3202 of the ARP appropriates $5 billion for new incremental EHVs, the renewal of those EHVs, and fees for the cost of administering the EHVs and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners.

Under PIH Notice 2021-15, in May 2021, HUD allocated 70,000 EHVs to public housing authorities and issued guidance on the administration of these EHVs. The AHA was allocated 57 EHVs. The AHA cannot reissue any turnover EHV after September 30, 2023.

All other sections of this Plan apply to EHV unless explicitly stated otherwise in this chapter or HUD regulation or guidance. COVID waivers applied to the regular HCV program that are eligible to the EHV program will be applied to EHV. These updates are posted on the AHA’s website if in effect.

Moving to Work (MTW) activities do not include EHV applicants or participants.

19-I.B. OVERVIEW OF STABILITY VOUCHERS (SV)

The Consolidated Appropriations Act, 2021 (Public Law 116-260) authorized a new allocation of Stability Vouchers. In June 2023, the AHA received an allocation of ten (10) Stability Vouchers as outlined in PIH Notice 2022-24. Stability Vouchers are similar to EHV, but have some slight differences such as Stability Vouchers do not have a deadline after which turnover vouchers may not be issued.

As with EHV, all other sections of this Plan apply to Stability Vouchers unless explicitly stated otherwise in this chapter or HUD regulation or guidance.

Moving to Work (MTW) activities do not include Stability Voucher applicants or participants.

19-I.C. FUNDING AND USES OF FUNDING

Funding and its approved uses are spelled out in PIH Notice 2021-15 for EHV. The funding for Stability Vouchers differs from EHV in several ways and was outlined in the award letter from HUD.

ADMINISTRATIVE FEES

Administrative fees received for EHV can only be used for EHV and must be recorded separately for the Administrative Fees of other AHA programs.

- **On-going monthly administrative fee**: received to administer the program calculated the same as under the Housing Choice Voucher program
- **Preliminary Fee**: single, one-time payment
- **Placement Fee/Expedited Issuance Reporting Fee**: one-time fee received for initial lease-up of each EHV. Amount depends on time to lease.
- **Service Fee**: one-time fee for each EHV allocated.

At the recommendation of the Director of Housing Programs and with the Approval of the Executive Director or designee, one-time administrative fees may be used for other eligible expenses (see next section).

The SV program receives one-time Special Fees for each awarded SV and not the above categories for EHV.

QUALIFIED ACTIVITIES FOR ONE-TIME ADMINISTRATIVE FEES FOR EHV

Each EHV household shall be eligible for up to $3500 of services; choice and provision of the services will be at the AHA's discretion.

1) Housing Search Assistance if unavailable through the CoC
   a) Identify and visit possible units including ADA accessible
   b) Transportation and directions
   c) Rental application assistance
   d) Expedite leasing process including payment of leasing related fees
   e) Housing Mobility Services
2) Security Deposit if unavailable through the CoC
   a) Security Deposit Assistance
      i) Cannot exceed the less of

(1) Two month’s rent
(2) Maximum security deposit allowed under law
(3) Actual amount required by owner for other unassisted units
(4) $3,000

ii) The AHA will pay the security deposit directly to the owner
iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.

3) Owner-related Uses
a) Owner recruitment and outreach
b) Owner incentive and/or retention payments
i) The AHA will make one-time incentive payments of $2,000 at the lease-up of an EHV family.
ii) Funds may be used for owners with accessible units or owners that will make the living conditions accessible (interior/exterior structural modifications) for a person with disabilities.

4) Other Eligible Uses
a) Tenant-readiness services
i) Fees may be paid for customized plans to address or mitigate barriers such as negative credit, lack of credit, negative rental or utility history or to connect the family to other resources.
ii) The AHA can provide access to case management, wrap-around services, life skills training, financial stability training, mental health care, and/or a stability coordinator.
iii) The AHA can also provide services to remedy a lease violation and/or prevent an eviction.
iv) The AHA can also use service fees to help for families to obtain vital documents needed to establish eligibility for the program and/or required by landlords as part of their rental application.

b) Moving Expenses
i) The AHA will pay some or all of the family’s reasonable moving expenses when the family initially leases a unit with the program.
(1) The family must submit documentation of moving expenses for payment.
ii) The AHA will pay for application fees up to $500 per family.
iii) The AHA will assist with the Security Deposit up to the lesser of the following
(1) Actual Security Deposit required by owner
(2) Maximum security deposit allowed under state or local law
(3)
iv) The AHA can also pay for storage expenses and lock change fees.

c) Essential Household items
i) The AHA may use the services fee funding to assist the family with some or all of the costs of acquiring essential household items. The AHA can provide a prepaid gift card directly to families after the AHA has verified that the family purchased essential household items and the AHA obtains and maintains appropriate supporting documentation.

ii) Definition of Essential Households Items: furniture, toiletries, tableware, bedding, cleaning supplies, bathroom supplies, kitchen supplies, basic tools, and basic household items such as light bulbs or smoke detectors.

QUALIFIED ACTIVITIES FOR ONE-TIME SPECIAL FEES FOR SV

Each SV household shall be eligible for services from SV funding not to exceed EHV limit; choice and provision of the services will be at the AHA's discretion. Once SV Special Fees funding are expended, the AHA may fund these activities through non-Federal funds at its discretion.

1) Owner incentive
   a) Owner incentive and/or retention payments
      i) The AHA will make one-time incentive payments of $2,000 at the lease-up of an SV family.
2) Security Deposit if unavailable through the CoC
   a) Security Deposit Assistance
      i) Cannot exceed the less of
         (1) Two month's rent
         (2) Maximum security deposit allowed under law
         (3) Actual amount required by owner for other unassisted units
      ii) The AHA will pay the security deposit directly to the owner
      iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.
3) Application Fees
   a) The AHA will pay for application fees up to $500 per family.

19-I.D. RESPONSIBILITIES UNDER PROGRAM

Agencies with MOU's with the AHA will refer families according to the terms in the MOU for both the EHV and SV vouchers. The AHA will issue and administer the EHV and SV.

PART II. ELIGIBILITY AND ADMISSION

19-II.A. ELIGIBILITY

To be eligible for EHV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

The definitions for EHV eligibility are found in PIH Notice 2021-15 section 8.a.

To be eligible for SV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Veterans and families that include a veteran family that meet one of the preceding criteria.

The definitions for SV eligibility are found in PIH Notice 2022-24 section 8.

These definitions will be used rather than definitions provided in other parts of this Administrative Plan.

19-II.B. DENIAL OF ASSISTANCE

Section 3-III.B Mandatory Denial of Assistance [24 CFR 982.553(a)] does not apply to EHV or SV, instead the following apply:

HUD requires the AHA to deny assistance to EHV or SV in the following cases:

• Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing

• Any household member is subject to a lifetime registration requirement under a state sex offender registration program

The AHA may deny assistance if any member of the family has engaged in abusive or threatening behavior towards AHA personnel. Abusive or violent behavior towards AHA 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.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the AHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the AHA may, on a case-by-case basis, decide not to deny assistance.

19-II.C. REFERRAL TO PROGRAMS

The AHA will receive direct referrals from Alameda County's Coordinated Entry System (CES) and other non-profit partners only if the CES does not meet MOU deadlines; therefore, since HUD waived sections of 24 CFR 982.204, the sections (mostly Chapter 4) of this Plan relating to waiting list selection do not apply.

A Memorandum of Understanding (MOU) must be executed before the AHA will receive referrals from partner agencies. These partner agencies will provide to the AHA a verification that the family meets the criteria of one of the above categories under Section 19-II.A.

19-II.D. PREFERENCES

The AHA will not apply the HCV preferences to the EHV or SV applicants. The referring agencies will be responsible for determining order of referrals. Waiting lists for each type of voucher will be ordered by date and time referred. Admission to the EHV/SV programs will be on a first ready, first served basis.

19-II.E. VERIFICATIONS AND CORRECTION OF OMISSIONS AND ERRORS

Since HUD has waived program requirements under 24 CFR 982.201 for verifications of applicants under the EHV and SV program, the AHA will accept documents dated over 60-days as valid verifications for EHV and SV applicants.

EIV requirements remain in affect for applicants such as searching the Existing Tenant Search and running a report within 90 days of admission to verify reported income.

If it is discovered that the EHV or SV family did not report income at admission into the program, the AHA will terminate the family's assistance. If it is discovered that the EHV or SV family did not correctly report income and the family would still have been eligible for the program, the AHA will offer the option to repay all overpaid assistance prior to terminating assistance.

Acceptance of verifications older than 60-days and a certification will not require additional verification until the family experiences a change in income or family composition or until the next regular reexamination.

19-II.F. HOUSING SEARCH

To obtain assistance with an initial (first lease-up) housing search, EHV and SV referrals will be given contact information for this service once the voucher has been issued.

The AHA will use payment standards set at 120% of the area fair market rents (FMR). As of November 2, 2024~~2~~, this sets the payment standards at:

Unit Size	FMR	120% of FMR (EHV Payment Standard)
Studio	$~~1,658~~1,937	$~~1,989~~2,324
1-bedroom	$~~1,969~~2,201	$~~2,362~~2,641
2-bedroom	$~~2,405~~2,682	$~~2,886~~3,218
3-bedroom	$~~3,144~~3,432	$~~3,772~~4,118
4-bedroom	$3~~,706~~4,077	$~~4,447~~4,892
5-bedroom	$~~4,261~~4,688	$~~5,113~~5,625

The selected unit must still comply with all Rent Reasonableness tests performed by AHA prior to move in.

The AHA would prefer an initial lease for 12 months to assist with housing stability but will accept a lesser term.

19-II.G. VOUCHER ISSUANCE

The AHA will issue an EHV or SV family a voucher for an initial term of 180 days. If an extension for a voucher term of more than 180 days is needed, the regular HCV extension requirements apply. Please see Chapter 5 Section 5-II.E *Voucher Term, Extensions, and Suspensions* subpart *Extensions of Voucher Term* for additional information. The AHA will follow its normal suspension procedures found in Section 5.II.E of Chapter 5 of its Administrative Plan.

19-II.H. PORTABILITY

Portability, moving outside the City of Alameda, will not be restricted on nonresident applicants, so all applicants may move prior to initial lease-up to any jurisdiction operating a housing choice voucher program.

The AHA's briefing for EHV and SV families will include, along with the normal portability information, information on how portability will impact the EHV or SV services and assistance that may be available to the family.

PART III. CONTINUED OCCUPANCY

19-III.A. APPLICABILITY OF ALL REQUIREMENTS FOR CONTINUE OCCUPANCY

All HCV rules will apply to EHV and SV households, including adding family members.

PART IV. TERMINATION AND REISSUANCE

19-IV.A. REISSUANCE

EHV turnover vouchers will not be reissued after September 30, 2023 per PIH Notice 2021-15.

SV turnover vouchers do not have the above restriction and will be issued to other SV eligible families.

19-IV.B. TERMINATION

All HCV rules will apply to EHV and SV households in reasons for termination by action or inaction of the family. All HCV rules will apply in the noticing and procedures of terminations such as offering an Informal Hearing of the termination if the family's action or inaction caused the termination.

19-IV.C. TERMINATION OF ASSISTANCE DUE TO UNDER FUNDING EHV

The program has been allocated its full funding through the ARP. When the remaining EHV HAP renewal funding is no longer sufficient to fully fund all PHAs' EHV renewal funding eligibility, HUD will prorate EHV renewal funding allocations. If EHV funding received from HUD is not sufficient to cover the HAP of the remaining families, the AHA will follow all procedures to secure more EHV funding. If after all procedures are followed to obtain more funding, the funding is still insufficient to cover EHV HAP expenses, the AHA will terminate assistance in the following order:

- In consultation with any agencies providing supportive services, those families deemed the most self-sufficient with the resources to maintain housing.
- Families with the smallest EHV HAP payment.
- Families with the longest tenure in the program.

EHV families are not eligible for conversion to a Housing Choice Voucher while residing in the AHA's jurisdiction. EHV families are eligible to apply to any open waiting lists the AHA administers, but the EHV does not guarantee the family a place on the waiting list. The EHV family must apply and be processed in the same manner as all other applicants.

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Vanessa Cooper, Executive Director
Date:	November 20, 2024
Re:	Approval of Commissioner conference attendance and 2025 Out-of-State travel.

BACKGROUND

It has been the Housing Authority of the City of Alameda's (AHA) practice that out-of-state travel be approved by the Board of Commissioners.

DISCUSSION

Attached is the proposal for out-of-state travel for 2025 for AHA staff members and/or Commissioners. One Commissioner requested out-of-state travel for 2025 to Phoenix, AZ. Staff is requesting that one employee attend the Consortium for Housing & Asset Management (CHAM) Conference in New Orleans, LA, three employees attend the MTW Collaborative Conference in Arlington, VA, two employees attend the AHACPA Public Housing Conference, and one staff member attend the Laserfiche Empower Conference, both of which are in Las Vegas, NV.

FISCAL IMPACT

The costs incurred by AHA will be for air, hotel, and per diem. No change in the FY25 budget for travel and training is expected, and additional funds will be budgeted for FY26.

CEQA

N/A

RECOMMENDATION

Approval of Commissioner conference attendance and 2025 Out-of-State travel.

ATTACHMENTS

1. 2025 NAHRO Conference Selections Table - DRAFT (3)

Respectfully submitted,

Vanessa Cooper, Executive Director

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

Dates	January 2025 (2 days)	March 5 – 7, 2025	March 10 – 12, 2025	April 29 - May 1, 2025	May 28 - 30, 2025	September 28 – 30, 2025	October 2025 (1 day)
Conference	**NorCal/Nev NAHRO Conference**	**Housing California Annual Conference**	**NAHRO Washington Conference**	**MTW Conference**	**PSWRC NAHRO**	**National Conference & Exhibition**	**NPH Affordable Housing Conference**
Location	**Napa, CA**	**Sacramento, CA** *SAFE Credit Union Convention Center*	**Washington, D.C.** *Grand Hyatt Washington Hotel Washington, DC*	**Arlington, VA** *Hyatt Regency, Crystal City*	**Fresno, California** *Double Tree by Hilton Fresno Convention Center*	**Phoenix, AZ** *Phoenix Convention Center*	**San Francisco** *San Francisco Marriott Marquis*
Carly Grob		First Choice					
Vadim Sidelnikov	Back up	Back up				First Choice	Back up
Thelma Decoy	Back up	Back up					Back up
Total (maximum)	**Up to 2 Board and multiple staff**	**Up to 3 Board and multiple staff**	**Up to 1 staff**	**Up to 3 staff**	**Multiple staff**	**Up to 1 Board and 1 staff**	**Up to 2 Board and 1 staff**

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: November 20, 2024

Re: Approve Changes to the 2014 Contract with the Executive Director.

BACKGROUND

The evaluation process for the Executive Director is scheduled for on November 20, 2024.

DISCUSSION

The Board is asked to approve the following contract changes:

1. To allow a temporary cap of accrued Executive Leave balance of 200 hours from July 1, 2024 through December 31, 2024, and to set the cap at 150 hours effective January 1, 2025 onward.

FISCAL IMPACT

Funding is covered by the approval of the 2024-2025 budget and will be built in to the 2025-2026 budget as needed.

CEQA

N/A

RECOMMENDATION

Approve Changes to the 2014 Contract with the Executive Director.

ATTACHMENTS

1. Item 10.G Exec Dir Goals 2024- final

Respectfully submitted,

Vanessa Cooper

Vanessa Cooper, Executive Director

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

PROPOSED GOALS FOR EXECUTIVE DIRECTOR
OCT. 2023- SEPT. 2024

Board Directed Goals:

(1) Build a senior management team that can independently accomplish many of the organization's strategic goals. Hire a Director of Property Operations or divide the work among other new positions.

(2) Manage the organization's external relationships,

(3) Complete special projects as needed.

Organizational Goals:

Goal 1: Expand housing choice through new development and rehabilitation.	**Lead Department/s**
a) Complete acquisition, rehab, and lease up of Poppy Place by per timeline agreed with the Board	Housing Development
b) Complete the North Housing soils preparation work by March 2024.	Housing Development
c) Close financing for Estuary I and Linnet Place by mid-March and start construction in Q1 2024. Manage and monitor closely to stay on track for certificate of occupancy in September 2025.	Housing Development
d) For Estuary II and depending on the outcome of the 2023 SuperNOFA, continue to apply for other appropriate sources of funding to improve competitiveness for each phase.	Housing Development
e) For The Poplar, present initial development, financing, and design plans to the Board by September 30, 2024.	Housing Development
f) Submit application for Faircloth to RAD conversion for Independence Plaza to HUD by September 30, 2024	Data and Policy/Housing Development
g) Provide an updated capital needs and rehabilitation plan to the Board by September 30, 2024.	Housing Development/Asset Management

h) Complete Anne B. Diament balconies project by July 31, 2024; complete siding repairs and painting for Parrot Village and Eagle Village by June 30, 2024. Complete interior upgrades as funds permit at Independence Plaza in 2024.	Housing Development/Asset Management

Goal 2: Lead the agency in its transformation to a Moving to Work (MTW) agency.	**Lead Department/s**
a) Submit annual plan and MTW addendum by March 31, 2024. Address any comments or changes needed by HUD.	Data and Policy
b) Implement approved activities and waivers. Make the financial, IT, and other changes needed for MTW. Provide training to staff on changes and updated Standard Operating Procedures.	Data and Policy/Housing Programs
c) Collaborate with other MTW agencies to learn and share best practices. Participate in MTW conferences, collaborations, and working groups.	Data and Policy/Housing Programs

Goal 3: Address training, recruitment and retention needs of the agency.	**Lead Department/s**
a) Continue the focus on filling positions and consider if there are any other alternative/creative staffing options that could provide relief for staff. Suggestions included outsourcing certain tasks or hiring at less senior levels and providing on-the-job training to bring staff into more senior positions over time. Provide quarterly recruitment updates of the Board of Commissioners.	HR
d) Conduct the employee survey in 2024 and address key outcomes with staff and management.	HR
e) Continue to improve office space options. Either renew the Southshore lease though 2026, secure space at Poppy Place or start work to complete the garage build out design by September 30, 2024.	HR/Housing Development
f) Maintain a comprehensive communications strategy for the agency's achievements including a social media and community relations presence, especially as agency grows its portfolio.	Admin. Services

Goal 4: Complete essential tasks to maintain and expand housing services.	**Lead Department/s**
g) Create a comprehensive training program for the Housing Program Department in order to adapt to MTW changes and HOTMA changes and roll it out by June 30, 2024.	Housing Programs
a) Issue at least 20 new tenant-based Housing Choice Vouchers per month from January 2024. Complete lease up of the new stability vouchers.	Housing Programs

b) Provide the Board with a Project Based Voucher (PBV) report and proposed policy by June 30, 2024.	Data and Policy
a) Continue to monitor and manage property activities of the portfolio and performance of the third-party management company, including addressing protracted cases of nonpayment of rent, hoarding and habitability. Conduct a review of the FPI contract by June 30, 2024, and report back ot the Board.	Portfolio Management/ Asset Management
b) Conduct the tenant survey in January 2024 and report to the Board in June 2024.	Admin. Services
c) Continue dialogue with City officials, social services providers, and other interested parties on strategies for tenants who are no longer able to meet the terms of their lease with AHA or with other owners.	Executive and Admin. Services

Goal 5: Other	
d) Start the Strategic planning process with the public and the Board by June 30, 2024, using in house resources	Executive and Admin Services
e) Transparency and clean financial audits should remain a priority.	Finance

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jocelyn Layte, Housing Development Specialist

Date: November 20, 2024

Re: Accept a Presentation on Electric Vehicle (EV) Charging options for Housing Authority of the City of Alameda (AHA) properties.

BACKGROUND

When CalEPA released the initial version of the California Communities Environmental Health Screening Tool (CalEnviroScreen) in 2013, it marked the first time a state used a science-based screening tool to demonstrate, from a geospatial perspective, who is most affected by environmental injustice. Since then, CalEnviroScreen has guided significant public investments aimed at improving environmental conditions in California's disadvantaged communities and ameliorating environmental injustice. The tool has helped CalEPA and other local, state and federal agencies ensure their activities address these pollution burdens and protect those communities from additional ones. (CalEnviroscreen 4.0 Report, pg. 6)

Communities in limited resource areas or low EnviroScreen tracts have less opportunity to access charging easily and may face cost barriers to charging an Electric Vehicles (EV). California is continuing to forward its 'no emissions' goals. EV are one of the top markets on which lawmakers are focusing. The States Zero Emission Goals are 1.5 million EV on the road by 2025, 3 million by 2030, and 100% zero emission cars by 2035. The State of California, particularly the California Energy Commission (CEC) and other programs, provide grants and rebate opportunities for electric charging upgrades, with a focus on "equity priority" locations. These 'charging deserts' are in alignment with the federal government's Justice40 initiative, which seeks to invest at a minimum, 40% of funds towards historically disadvantaged communities. Other grant programs focus on Multi-Unit Development (MUD) hot spots. In order to make these goals a reality, the state is investing in increasing ownership and providing charging stations for those who use EV. These grants range from addressing the direct needs of current EV owners and the future demand for charging stations as EV ownership increases throughout the state.

The Housing Authority of the City of Alameda (AHA) is seeking to increase the accessibility of EV ownership and charging for its residents. Equity is the main focus of

AHA's involvement in establishing charging stations. By participating in these programs, AHA is aligning its mission with State goals by providing direct benefits and opportunities for its residents, participants, and community, who have disproportionately been exposed historically to persistent environmental, health, and other social burdens. This project will increase access to clean transportation and mobility options along with opportunities to transform behaviors and systems that may be harming the communities' quality of life. The programs available to AHA incorporate community engagement, partnerships, and cross-agency collaboration, keeping equity as the core value of project implementation. AHA is working with multiple vendors and the City of Alameda to explore options that would not burden residents with high charging costs and simultaneously avoid undue burden on property operating budgets once installed.

In early 2024, the City of Alameda reached out to partner with AHA on the Public EV Charging Provider RFP by adding properties from the Alameda Affordable Housing Corporation's (AAHC) portfolio as part of the scope. The properties selected were within neighborhoods identified as 'charging deserts' by the City of Alameda. The RFP aims to provide public EV chargers within a quarter mile of all residents and within one-tenth of a mile of Multi-Unit Development (MUD) hot spots. AHA as a partner with the City on this proposal, supplied feedback and review of AAHC sites that would be the most feasible for installation of charging stations which resulted in providing Everett Commons and Rosefield Village as potential properties.

AHA staff also worked with Alameda Municipal Power (AMP) to review AAHC portfolio properties that may be applicable to the EV charger installation rebate program. Independence Plaza (IP) is the focus of the AMP rebate program and two site visits were conducted in order to understand costs and barriers to implementation. CLEAResult, a third-party vendor working with AHA and AMP on the rebate program, found a CEC Reliable, Equitable, and Accessible Charging for Multi-family Housing 2.0 (REACH 2.0) grant that would provide an opportunity to install more chargers at IP for potentially less cost than using the rebate program alone. The IP EV charger Installation project aligns with the City's Climate Action and Resiliency Plan (CARP), targeting the goal of reducing emissions by 50% below 2005 levels by 2030 for the City of Alameda. The City's latest study on emissions shows 70% of emissions come from transportation.

Implementing the installation of chargers at AAHC'S multifamily sites provides new opportunities for residents to charge at or closer to home, improves air quality, increases vehicle and mobility awareness, affordability, and access. The installation of chargers may also reduce barriers, such as financing, that a resident may have when obtaining an EV. While equity for residents is the key driver of this project, AHA also works to increase its use of green practices across all levels of services it provides. Implementing EV charging reduces the carbon footprint of the properties' non-source-point pollution while providing active benefits for tenants.

DISCUSSION

AHA continues to explore options for an EV charging program, identifying which projects show the best potential to be duplicated at other properties across the portfolio. During research, three main options for execution presented themselves. Below is the explanation of each option for enabling the installation of EV chargers by providing financing.

AHA would prefer to conduct a lease model over an ownership model, but most grants will require ownership of the charging station. There are options for the ownership of the charging station: 1) AHA fully owns and operates the charger or 2) AHA owns the charger but leases out the electronic payment system and its maintenance.

Option One – Itselectric and the City of Alameda

The City of Alameda received a grant from the state and chose Itselectic via their procurement processes for the Public EV Charging Provider RFP. In early 2024, they partnered with AHA to include a list of the priority properties they would be interested in adding to the RFP scope. These properties were identified by the City as located in charging deserts. AHA reviewed the property lists and provided Everett Commons and Rosefield Village as the most feasible. This option of a charging station would be placed on the sidewalk just behind the curb . AHA's properties would provide the electricity and meter housing to power the stations. AHA would not be out of pocket for the costs of this project and the property could potentially receive nominal profits from this model. After attending site visits to each property, Everett Commons met the requirements for installing the street side EV charging which is less than 100 feet from the charging station to the meter, street side parking, and sidewalk infrastructure to place the podium on. This project is still undergoing review and application by the City and AHA. AHA continues to support the efforts of Itselectric and the City to install a maximum of two street side parking spaces that would be available to residents of Everett Commons and the public, with the potential to include more parking at other properties in the future.

Option Two – CLEAResult and AMP Rebate Only

AMP reached out to AHA as a potential applicant for their EV charging reimbursement program in early 2024. This program would provide a total of $4,000 per charging station up to a maximum of $48,000 (12 units). AHA submitted an application for Independence Plaza in collaboration with third party vendor CLEAResult who would provide assistance with the technical application and installation of the chargers. This program requires AHA to maintain ownership of the chargers and takes roughly 8–12 weeks after the City permit sign-offs and final approvals to receive the rebates. This model creates an out-of-pocket potential of $38,500 - $39,600. The owner could set the prices of the chargers and consider the number of chargers installed to make the installation pay for itself.

The main impact on the cost of the project is the distance between the electrical room and the parking location where trenching would need to occur. If AHA decided to lease an EV charger, the cost would be between $46,000-$51,000 thousand dollars with annual operating costs of $5,600.

AHA worked with a second party recommended by CLEAResult, EVCharge4u, who located a second location that would require less trenching but needs an ADA crossing and ramp installation. The cost of the project with a leasing option would be $50,000 and if AHA owned the chargers, they could go forward with AMP rebates of $4,000 per charging station. If three stations were placed, AHA will need to invest $38,000 with annual operating costs to be determined.

<u>Option Three – CLEAResult, AMP Rebate, and CEC REACH 2.0 Grant Funding</u>
In partnership with CLEAResult, AHA has the opportunity to target CEC REACH 2.0 funding and AMP rebates to install 7-21 charging stations at Independence plaza . A benefit to this program is that charging stalls do not have to be just EV- charging cars. AHA could decide how they want to manage the stalls, allowing non-EV charge parking in some stalls and then enforcing EV charging only requirements as ownership of EV increases at the property. This grant program would cover up to 75% of costs and potentially more. When looking at a very high-level estimate for the project, AHA would invest $25,000 in the project. This program does require ownership of the charging stations and prices could be set at a flat monthly rate, keeping charging rates affordable for residents. There are future opportunities in continuing rounds of grant funding to establish EV charging at other properties in the portfolio. The charging stations would directly benefit tenants and past projects completed under this grant have shown an uptick in EV ownership. This program would involve community engagement of tenants at the property and inter-agency work for input and implementation. This program could see chargers at Independence plaza as soon as the winter of 2026.

There are multiple options available for AHA to choose from in regard to increasing access to EV charging for its participants, tenants, and the community. AHA is moving forward with installation at IP and potentially Everett Commons while remaining fiscally cognizant and strategizing the most effective repeatable method of implementation. AHA will continue to work to bring EV charging to more of its properties in the coming years.

FISCAL IMPACT
AHA may have to contribute out of pocket funds between $25,000 – $60,000 dependent on grant funding availability from California Energy Commission (CEC), costs of installation, and rebates from Alameda Municipal Power (AMP).

CEQA
Not applicable.

RECOMMENDATION
Accept the presentation on EV charging options for AHA properties.

ATTACHMENTS
1. 2024_11 AHA EV Charging Presentation

Respectfully submitted,

Jocelyn E. Layte

Jocelyn Layte, Housing Development Specialist

Electric Vehicle Charging at AHA

Options and costs of EV charging at AHA portfolio sites

Purpose

- Equity – residents may not have access to chargers in Multifamily areas.
  - Increase vehicle and transportation accessibility
  - Reduce emissions creating cleaner air
  - Address barriers to EV ownership
- California moves to its no emissions goal of 1.5 M EV cars on the road by 2025 and 3M by 2030 and 100% zero emission cars by 2035.
- EV charging programs provide opportunities for rebates on installation or partnerships that provide minimal costs to AHA and serve its participants.

Timeline

Year	Month	Action
2024	February	The City of Alameda (COA) requested AHA's review of their Pulic Electric Vehicle (EV) Charging Provider RFP, inviting AHA to be a partner for charging sites. (ItsElectric)
2024	April	AHA was selected for the AMP multifamily feasibility study and provided Independence Plaza as the study site. (CLEAResult and EvCharge4u)
2024	May - June	Two site visits were conducted to Independence Plaza for the AMP program. (CLEAResult and EvCharge4u)
2024	August	Site visits to Eagle Village, Rosefield Village, and Everett Commons were conducted for COA and Itselectric.
2024	Sept	AHA reviewed contracts and agreements between Itselectric, AHA, and the City.
2024	October	AHA continues to work with the City & Itselectric at Everett Commons and with CLEAResult/AMP on two proposals for Independence Plaza.
2024	November	AHA continues to work on the Everett Commons and Independence Plaza projects and received information about the CEC REACH 2.0 grant. All projects are in the first phases.

COA & Itselectric
Public Charging Provider

- This program is at no cost to AHA to implement and will be handled mainly between the City of Alameda and Itselectric.
- Itselectric will install charging stations for street parking and manage operation of the systems.
- AHA is providing access and use of space on properties for meter housing and charging station infrastructure.


Everett Commons
COA and Itselectric partnership
ADA ramp may need to be installed at curb

Option 1 – COA & Itselectric

Type of ownership	# of ports	Cost
Own EV Charger (incentive)	2	$0
Annual Ops. & Maint.	2	$0

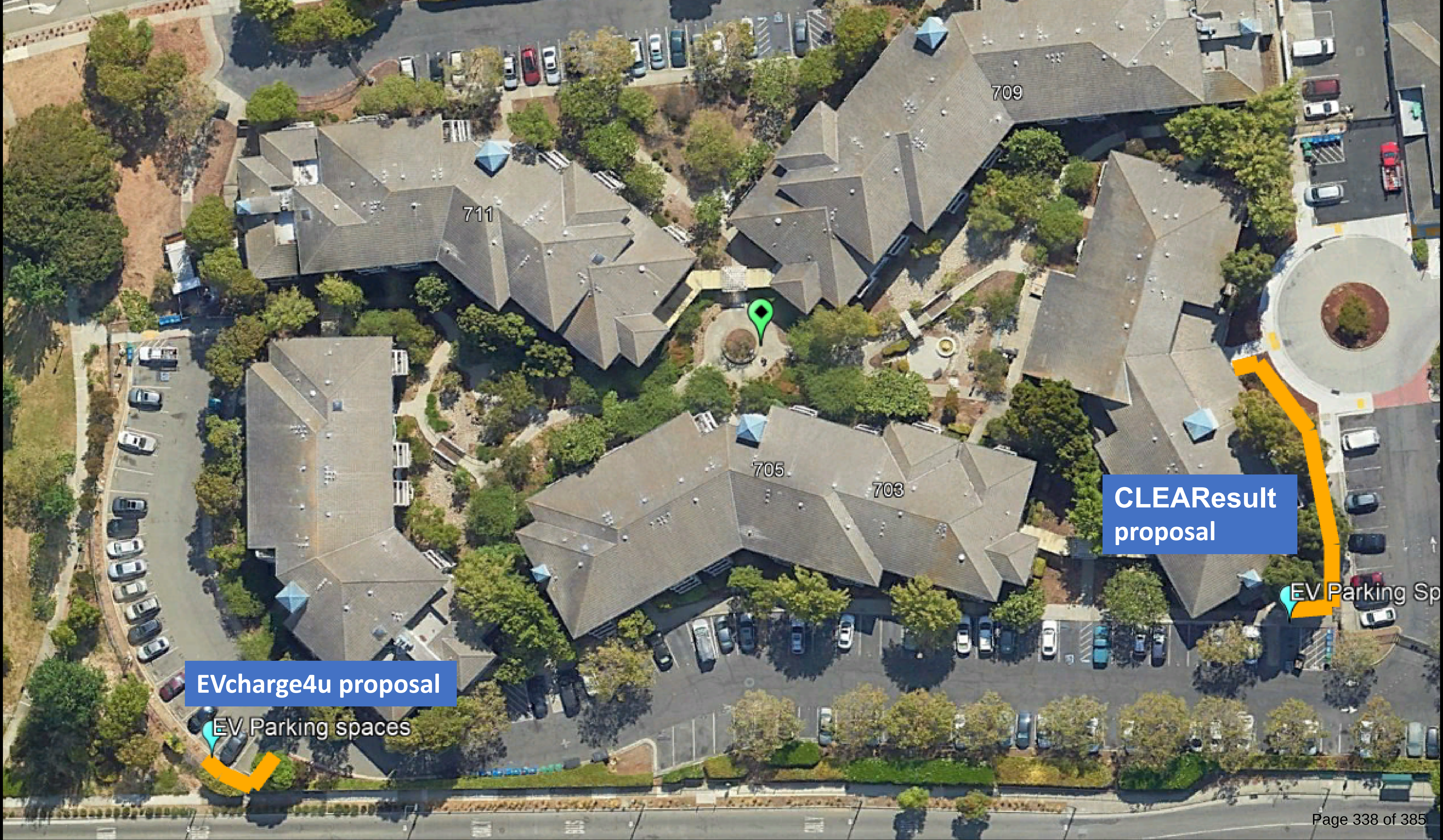
- Property involved: Everett Commons
- Serves public and residents
- Trenching and installation of two charging stations along sidewalk parking areas.
- Separate meter installation for chargers. (1 port/ charger)
- AHA may receive nominal profits.

AMP EV Equipment Rebate Program

- Rebate program allows multifamily property owners to receive rebates up to a max of $48,000 for the purchase and installation of Electric Vehicle Supply Equipment (EVSE).

Unit Type	Level	Rebate/unit	Max units	Max Rebate
EV Charging Station	2	$4,000	12	$48,000

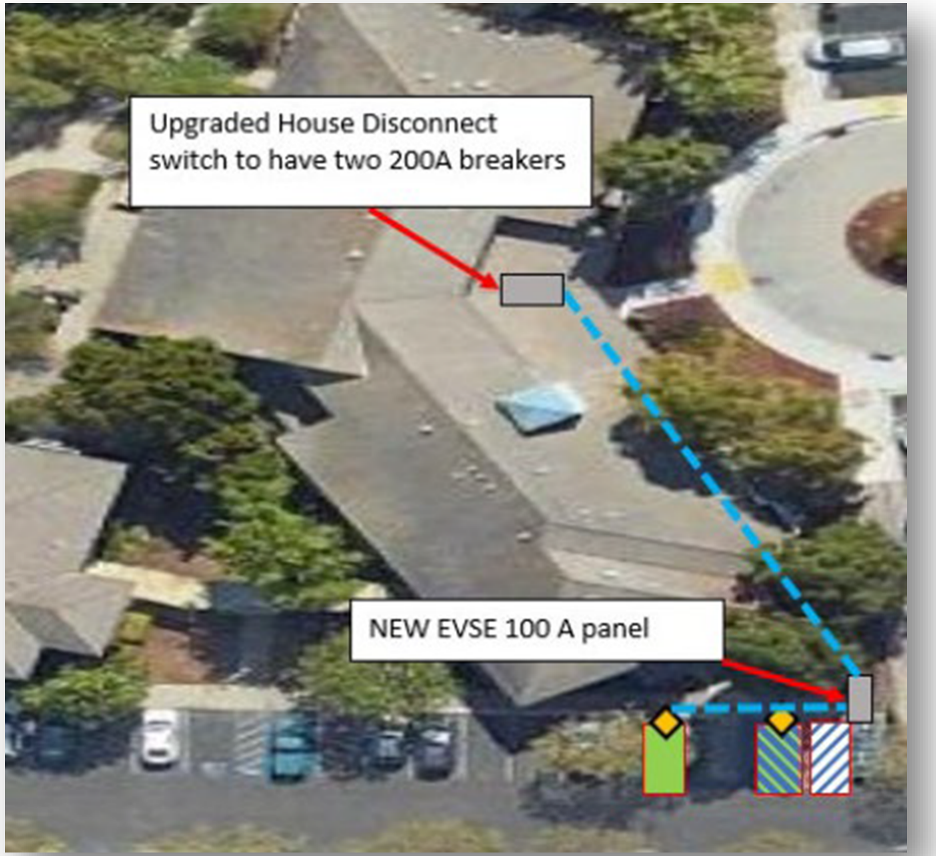
- After all installation work and city permit sign offs are completed it is an 8-12 week turn around to receive rebate checks.
- Must own the chargers – if you lease the rebates cannot be received.


709
711
705
703
CLEAResult proposal
EV Parking Sp
EVcharge4u proposal
EV Parking spaces

Option 2a – CLEAResult & AMP

Type of ownership	# of ports	Cost
Own EV Charger (incentive)	2-3	$38,500 – 39,600
Lease EV Charger (no incentive)	2-3	$46,500 – 51,600
Annual Ops. & Maint.	2-3	$5,692

- Property Involved: Independence Plaza
- Serves IP residents and AHA employees
- trenching and installation of two to three charging stations in the parking area.
- Potential separate meter installation for chargers.
- AHA sets the price of the charging – AHA must own the equipment and maintenance if we want to pursue the rebates.



Option 2b– EvCharge4u

Type of ownership	# of ports	Cost
Own EV Charger (incentive)	3	$38,701
Lease EV Charger (no incentive)	3	$50,701
Annual Ops. & Maint.	3	TBD

- Property involved: Independence Plaza
- Serves IP residents and AHA employees
- Trench to the parking spaces required, existing infrastructure at 707 for electrical.
- AHA can set the price of the charging, leasing model, ownership required if rebates are to be pursued.

CEC REACH 2.0 Grant

- The California Energy Commission (CEC) awarded CLEAResult a Reliable Equitable and Accessible Charging for Multi-family Housing (MFH) 2.0 (REACH 2.0) grant to provide EV charging to over 300 multifamily residential units in California. The Grant will provide at least 75% of costs and includes the following services:
  - Site design & development
  - Permitting
  - Utility and building electrical infrastructure and accessibility upgrades
  - EV charger installation
  - Community training and guidance
- The purpose of the grant is to demonstrate replicable and scalable business and technology models for large-scale deployment of EV charging infrastructure capable of maximizing access and EV travel for MFH residents.

Option 3 – CLEAResult, CEC REACH & AMP

- Grant funding assistance for 75% of costs and stacked with the AMP reimbursement rebates.
- Property involved: Independence Plaza
- Serves IP residents and AHA staff.
- Trenching will be required but will avoid the need for electrical upgrades
- AHA can set the price. Ownership required to receive grant funds and rebates.

Site Attribute	Current Max
Available Service Capacity (3P, 208V)	75KVA (43.8KVA available)
Maximum 40A charging circuits	7 qty
Maximum Full Power Level 2 ports	7 qty
Maximum Power Managed Level 2 ports	21 qty
# of Spaces Served	63 spaces
Estimated Power Managed Budget	$294,000
Estimated Grant Coverage @ 75%	($220,500)
Estimated AMP Rebate	($48,000)
Estimated Out of Pocket	$25,500
Cost per Port	$1,214
Cost per Space	$405

Cost Comparisons

Vendor	Property	# ports	Installation Costs	Reimbursements	Net cost	Annual Ops. & Maint. Cost
Evcharge4u	Independence Plaza	3	$50,701	$4,000 (per port)	$38,701	TBD
CLEAResult (AMP)	Independence Plaza	2 - 3	$46,500 – $51,600	$4,000 (per port)	$38,500 – $39,600	$5692
CLEAResult (CEC & AMP)	Independence Plaza	7-21	$87,000 - $294,000	$220,500 (CEC 75%) & $4,000 (Per Port up to $48,000)	$25,500 – $87,000	TBD
Itselectric	Everett Commons	2	$0	$0	$0	$0

Recommendation

Accept the report on EV charging.

Next Steps: AHA will proceed with establishing EV charging access to residents at Everett Commons (streetside) and Independence Plaza (onsite parking) and continue to research opportunities to provide future access across the portfolio.

Housing Authority
of the
City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Tonya Schuler-Cummins, Director of Data and Policy
Date:	November 20, 2024
Re:	Accept the Update on the Independence Plaza Faircloth to RAD transaction; Approve the Authorizing Resolution 1084 for Independence Plaza Faircloth to RAD Transaction Documents; Approve expenditures of up to $4M from AHA reserves to repay the Fannie Mae mortgage and to create a replacement reserve for the property and to cover other related costs as needed; Cancel the $34M seller carry back loan to AAHC.

BACKGROUND

Independence Plaza (IP) is currently owned by Alameda Affordable Housing Corporation (AAHC), a non-profit instrumentality of the Housing Authority of the City of Alameda (AHA). The property was originally developed by AHA in 1990 and has been continuously owned and operated in good condition. In 2019, the AHA transferred the property (including both the land and improvements) to AAHC because of a federal requirement to have a separate owner and PBV administrator and provided a $34,200,000 seller carryback loan to cover the market value of the property.

IP consists of five (5), four-story multifamily residential buildings situated between the Atlantic and Constitution Avenues. The project has a total of 186 units - 159 one-bedroom, one-bathroom units and 27 two-bedroom, one-bathroom units. Ten units are accessible, and four units have sight/hearing features; twenty other units were upgraded recently for accessibility features. The site contains a community room, laundry, elevators, property management and social service offices and parking. The property currently has a project-based voucher (PBV) contract for 25 units with an expiration date in 2040. This HAP contract covers non-Faircloth to RAD units. A few Veterans Affairs Supportive Housing (VASH) PBV units are also in the process of being added to this contract at this site.

The City through its residual Redevelopment Agency funding currently subsidizes the property up to $2.5M a year. However, this subsidy will run out in 2026 or 2027, so staff have been planning for over 8 years to replace this funding source and to fill the budget gap.

In June 2023, the Board authorized Resolution 1054 to approve an application for and implementation of a Faircloth to RAD program for Independence Plaza.

In May 2024, the Board approved an application and up to a $3 million grant to this project through the Alameda Affordable Housing Trust Fund (AAHTF) and State of California Local Housing Trust Fund (LHTF) application. Staff submitted the LHTF application on September 17, 2024, and has not yet received an update on the award.

As discussed in previous Board updates, the Independence Plaza Faircloth to RAD transaction is a transfer of IP, without refinancing or rehabilitation, that is proposed to financially restructure its operations to deal with an expiring operating subsidy and permanent loan. In June 2024, the Board approved the submittal of a Mixed Finance Development Proposal (MFDP) to HUD to initiate this transaction. The MFDP was submitted on July 11, 2024.

The deal is complex, requiring a property transfer to AHA, then entry into the public housing program, then participation in RAD with a project-based voucher contract. It will bring approximately $2.6-$3.2 million in subsidies to the property each year for 20 years and will provide much needed housing stability and low rents for the families living at Independence Plaza.

DISCUSSION

The staff wishes to update the Board on additional details regarding the Faircloth to RAD application to HUD and other refinements.

1. Feedback from HUD on the MFDP – AHA submitted its Significant Amendment to the Annual Plan, mentioned in the last Board update and also brought before the Board for approval, to HUD for approval. AHA received approval of its Significant Amendment regarding the Elderly preference on October 18, 2024. The AHA has heard back from HUD regarding revisions and requests for clarifications on the MFDP.
2. Subordination of AHA’s regulatory agreement the AHA will provide a Subordination Agreement subordinating the Housing Authority’s Regulatory Agreement to the Declaration of Trust for the unsubsidized units.
3. Submission of the RAD Closing Documents - Unlike other RAD and Faircloth to RAD transactions, for AHA's Faircloth to RAD project at Independence Plaza there is no construction taking place. (Significant rehab has taken place in the prior 18 months in anticipation of the transaction.) In the hopes of having the Faircloth to RAD Project-Based Voucher HAP contract be effective December 1, 2024, AHA staff submitted documents associated with the RAD Closing, which is the final step in the conversion process, on October 23, 2024 and October 24, 2024.

AHA had originally anticipated receiving HUD approval in September 2024 to begin the

Faircloth to RAD conversion, which staff is pushing to occur before the end of 2024. To meet this goal, staff have almost finished income certifications for existing residents to pre-qualify them for the vouchers. Existing households who do not qualify for the Project-Based Voucher program or who choose to opt-out will be allowed to remain in their unit without subsidies and continue to pay the current rents, which will be increased at the state maximum until they reach 80% tax credit rent levels. AHA met with tenants in October 2024 to explain this.

AHA does not expect to have 120 qualified households at the initial conversion, but it is possible to obtain a contract with HUD for 120 vouchers and to lease up units under the PBV program over time. Staff have also inspected all units at Independence Plaza in order to meet HUD's Housing Quality Standards requirements. Almost all inspections have passed at this time and AHA is working with FPI Management and residents to resolve the HQS issues for those that have not yet passed.

At this time, it is hopeful that HUD will approve the AHA's Faircloth to RAD plans for Independence Plaza before the end of the year. HUD has determined that the deal can close on or about November 26, 2024. So, while AHA hopes to have the vouchers in place by December 1, 2024, it is possible that the vouchers will be put in place in 2025.

<u>Authorizing Resolution</u>
As part of this transaction, the AHA will enforce its purchase agreement option (approved in March 2020, attached) to transfer the land and improvements from Alameda Affordable Housing Corporation (AAHC) to the Housing Authority of the City of Alameda (AHA) at closing. The Option to Purchase and proposed Grant Deed are attached for review. In addition, AHA will cancel its existing $34,200,000 loan and provide a grant of up to $4,000,000 to meet HUD's requirements for the Faircloth to RAD transaction. The attached proposed resolution provides for these actions, and for the Executive Director to negotiate and execute needed documents.

FISCAL IMPACT
AHA has already been approved for up to $3 million of agency funds for this transaction. The additional subsidy received is expected to be $2.6-$3.2 million per year for 20 years once all vouchers are fully leased and in place. This will take several years. Also, the income from the IP property will increase significantly once the additional vouchers are added. At the same time, this will lessen the impact of the expiring CIC funds. Approximately $300,000 is expected to be incurred on consulting, reports, testing, legal fees and other costs to complete this deal.

CEQA
Not applicable

RECOMMENDATION
Accept the Update on the Independence Plaza Faircloth to RAD transaction; Approve the Authorizing Resolution 1084 for Independence Plaza Faircloth to RAD Transaction

Documents; Approve expenditures of up to $4M from AHA reserves to repay the Fannie Mae mortgage and to create a replacement reserve for the property and to cover other related costs as needed; Cancel the $34M seller carry back loan to AAHC.

ATTACHMENTS

1. Attachment A - Grant Deed Independence Plaza 2024
2. Option to Purchase Agreement
3. DRAFT HACA Resolution 1084 Independence Plaza

Respectfully submitted,

Tonya Schuler-Cummins, Director of Data and Policy

RECORDING REQUESTED BY AND)
WHEN RECORDED RETURN TO, AND)
MAIL TAX STATEMENTS TO:)
)
Housing Authority of the City of Alameda)
701 Atlantic Avenue)
Alameda, California 94501)
Attention: Executive Director)
)

(SPACE ABOVE FOR RECORDER'S USE ONLY)

APN: 074-0906-057

GRANT DEED

The undersigned Grantor(s) declare(s):

DOCUMENTARY TRANSFER TAX is $________

☐ computed on the consideration or full value of property conveyed, or
☐ computed on the consideration or full value less value of liens or encumbrances remaining at time of sale.
☐ unincorporated area

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, ALAMEDA AFFORDABLE HOUSING CORPORATION, a California nonprofit public benefit corporation (the "**Grantor**"), does hereby grant to the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body, corporate and politic, the real property in the City of Alameda, County of Alameda, State of California, described in Exhibit A attached hereto, and by this reference incorporated herein (the "**Land**"), together with any and all structures and improvements located thereon, all of the right, title, and interest of Grantor in and to the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances, to the extent belonging or appertaining to the Land (collectively, the "**Property**").

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of November 1, 2024.

GRANTOR:

ALAMEDA AFFORDABLE HOUSING CORPORATION,
a California nonprofit public benefit corporation

By: ________________________
Vanessa Cooper
Executive Director

[SIGNATURES MUST BE ACKNOWLEDGED]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____________________)

On ________________, before me, ____
(insert name and title of the officer)
personally appeared ____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _______________________________ (**Seal**)

EXHIBIT A

Legal Description

The land referred to is situated in the County of Alameda, City of Alameda, State of California, and is described as follows:

PARCEL ONE:

Lot 1 of Parcel Map 5767, filed September 25, 1989, Book 187 of Parcel Maps, Pages 33 and 34, Alameda County Records

PARCEL TWO:

A non-exclusive easement appurtenant to Parcel One herein above described for Pathway and Fire Lane as described in that certain Grant of Easement from the City of Alameda recorded January 25, 1990; Series No. 90-21236, Alameda County Records

APN: 074-0906-057

OPTION TO PURCHASE AGREEMENT
(Independence Plaza)

THIS OPTION TO PURCHASE AGREEMENT (this "Agreement") is made as of March 12, 2020 (the "Effective Date") by and between the Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "Owner"), and the Housing Authority of the City of Alameda, a public body, corporate and politic (the "Optionee"). The Owner and the Optionee are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

IN CONSIDERATION of the covenants contained in this Agreement, the Parties agree as follows:

1. OPTION TO PURCHASE. Subject to the terms and conditions of this Agreement, the Owner grants to the Optionee, and the Optionee accepts from the Owner, an option to purchase (the "Option"), the following:

1.1 the real property consisting of land and existing improvements commonly known as Independence Plaza, Alameda, as more particularly described in the legal description attached hereto as <u>Exhibit A</u> (the "Land and Improvements");

1.2 any and all rights, privileges, and easements incidental or appurtenant to the Land (the "Appurtenances"); and

1.3 any and all contracts, agreements, loans, personal property and intangibles (the "Additional Rights and Obligations"). Collectively, the Land and Improvements, the Appurtenances, and the Additional Rights and Obligations are referred to in this Agreement as the "Property."

2. OPTION PAYMENT. In consideration for the right to have the Option, the Optionee will pay the Owner the amount of One Hundred Dollars ($100.00) (the "Option Payment"). The Option Payment will be immediately released to the Owner and will be non-refundable. The Option Payment will not be credited toward the Purchase Price, and will serve as independent consideration for the Option. As of the Effective Date, the Owner acknowledges receipt of the Option Payment.

3. EXERCISE OF OPTION. The Optionee may exercise the Option by delivering a written notice to the Owner (the "Option Notice") on or after the occurrence of any of the following events: (a) the repayment of the loan in the principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000) secured by a deed of trust against the Property (the "<u>Loan</u>") from Fannie Mae, a corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq. and duly organized and existing under the laws of the United States, and its successors and assigns (the "<u>Lender</u>"); (b) approval by the Lender of a request by the Optionee to have the Property transferred to the Optionee; (c) default by the Owner under the Loan or any other financing, regulatory agreement, or contract

applicable to the Property, provided that the Lender consents to the Optionee's exercise of the Option.

4. PURCHASE AND SALE.

4.1 PURCHASE PRICE: The total purchase price to be paid by the Optionee is One Hundred Dollars ($100.00), plus assumption of all outstanding debt and obligations applicable to the Property, and payment of all other sums due from the Optionee under this Agreement (the "Purchase Price"). The Purchase Price is in addition to the Option Payment.

5. CONDITIONS TO CLOSING.

5.1 CONDITIONS: Provided that the Optionee has delivered the Option Notice, the Optionee's acquisition of the Property is subject to the following conditions (each of which may be waived by the Optionee):

5.1.1 Approval of the condition of title to the Property, as shown on a proforma title policy approved by Optionee.

5.1.2 Approval of the physical and financial condition of the Property on terms and conditions solely acceptable to the Optionee.

5.1.3 Approval of any existing financing, regulatory agreements, and contracts applicable to the Property on terms and conditions solely acceptable to the Optionee to fund the purchase, development and operation of the Property.

5.1.4 Approval of any new financing, subsidy, equity investment, or other contractual arrangements necessary or appropriate for the acquisition, rehabilitation, or operation of the Property on terms and conditions solely acceptable to the Optionee.

5.2 CLOSING: Upon delivery of the Option Notice, the Parties will consummate the purchase and sale as soon as is practicable, but in any event, no longer than ninety (90) days after the Owner's receipt of the Option Notice. The date of recording of the Grant Deed (as defined below) will be the "Closing Date". The Optionee will pay all costs of the transfer, including, but not limited to, title and recording fees, any transfer taxes, any costs of title insurance, escrow fees, legal and accounting fees, and costs charged by any other parties to the transaction.

5.3 DEED: The Owner, upon close of escrow, will execute and deliver a grant deed conveying good and marketable fee title to the Property to the Optionee (the "Grant Deed") free from any and all liens or encumbrances, except those shown as exceptions to title on the proforma title policy previously provided and accepted by the Optionee.

5.4 OTHER DOCUMENTS: The Owner, upon close of escrow, will execute and deliver bills of sale, assignments, and any and all other documents necessary for the Owner to assign and the Optionee to assume the rights and obligations with regard to the Property.

5.5 ENTRY ON PROPERTY: Upon delivery of the Option Notice, the Optionee, its agents, employees, or nominees, are granted the right to immediately enter on all or any portion of the Property for the purpose of any legal, financial, marketing, engineering, geological, ecological, environmental, soil, surveying, or other work as may be reasonably necessary or appropriate for the preparation of any studies, plans, surveys, reports, applications, and maps of the Property related to the Optionee's purchase of the Property.

6. EXECUTION OF DOCUMENTS: The Owner agrees to sign, execute, and deliver to the Optionee upon request of the Optionee any and all documents that may be reasonably necessary or appropriate in the judgment of the Optionee to gain approval by any municipal, county, state and federal authorities, bureaus, and agencies concerning the acquisition, maintenance, rehabilitation, or operation of the Property.

7. OWNER OPTION TO GROUND LEASE. As of the Effective Date, the Owner and the Optionee have entered into an Option to Ground Lease Agreement which provides that, if the Optionee exercises the Option, the Owner will have an option to ground lease the Land and to obtain title to Improvements, Appurtenances, and Rights and Obligations.

8. REPRESENTATIONS AND WARRANTIES

8.1 OPTIONEE'S REPRESENTATIONS AND WARRANTIES: The Optionee represents and warrants to the Owner that as of the Effective Date and as of the Closing Date:

8.1.1 The Optionee is duly organized, validly existing and in good standing under the laws of the state of its formation.

8.1.2 The Optionee has the full power and authority to execute, deliver and perform its obligations under this Agreement.

8.1.3 This Agreement and all agreements, instruments and documents provided to be executed by the Optionee are and as of the Closing will be duly authorized, executed and delivered by and are and will be binding upon the Optionee.

8.2 OWNER'S REPRESENTATIONS AND WARRANTIES: The Owner represents and warrants to the Optionee that as of the Effective Date and as of the Closing Date:

8.2.1 The Owner is duly organized, validly existing and in good standing under the laws of the state of its formation.

8.2.2 The Owner has fee title to the Property and has the legal right, power, and authority to enter into this Agreement and perform all of its obligations under this Agreement.

8.2.3 This Agreement and all agreements, instruments and documents provided to be executed by the Owner are and as of the Closing will be duly authorized, executed and delivered by and are and will be binding upon the Owner.

9. NOTICES: Any notice or other communication given by either Party to the other Party relating to this Agreement shall be sent by: (a) certified mail, return receipt requested; (b) by reputable delivery service, with a delivery receipt; or by personal delivery, with a delivery receipt; addressed to the other Party at the respective addresses set forth below,

If to Owner: Alameda Affordable Housing Corporation
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

If to Optionee: Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

Notice shall be deemed received by a Party on the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the item was returned as undeliverable.

10. BINDING EFFECT AND ASSIGNMENT

10.1 BINDING EFFECT: This Agreement will be binding upon the Owner and the Optionee and will inure to the benefit of successors, and assigns of the Parties.

10.2 ASSIGNMENT: The Optionee may assign this Agreement so long as the Assignee is bound by the terms of this Agreement, the Optionee provides a copy of the assignment agreement to the Owner, and, so long as the Loan is outstanding against the Property, the assignment is approved by the Lender.

11. ATTORNEY'S FEES: In the event it becomes necessary for either Party to file suit to enforce this Agreement or any provision contained in this Agreement, the Party prevailing in such suit will be entitled to recover, in addition to all other remedies or damages, as provided in this Agreement, reasonable attorneys' fees and costs incurred in such suit.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

OPTIONEE:

Housing Authority of the City of Alameda, a pubic body, corporate and politic

By: Vanessa Cooper
Vanessa Cooper
Executive Director

OWNER:

Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation

By: Vanessa Cooper
Vanessa Cooper
Executive Director

EXHIBIT A

The land referred to is situated in the County of Alameda, City of Alameda, State of California, and is described as follows:

PARCEL ONE:

Lot 1 of Parcel Map 5767, filed September 25, 1989, Book 187 of Parcel Maps, Pages 33 and 34, Alameda County Records

PARCEL TWO:

A non-exclusive easement appurtenant to Parcel One herein above described for Pathway and Fire Lane as described in that certain Grant of Easement from the City of Alameda recorded January 25, 1990; Series No. 90-21236, Alameda County Records

APN: 074-0906-057

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. 1084

Authorization for Restore-Rebuild Transaction of Independence Plaza

WHEREAS, the Alameda Affordable Housing Corporation (the "**AAHC**") is the owner of that certain land located at 703 Atlantic Avenue in the City of Alameda (the "**Property**"), which is commonly referred to as Independence Plaza;

WHEREAS, in Resolution No. 1054 adopted on June 21, 2023, the Housing Authority approved an application for and implementation of a Faircloth to RAD program (recently renamed "Restore-Rebuild" by the U.S. Department of Housing and Urban Development ("**HUD**")) to preserve and sustain the Property, under which up to 120 units at the Property will be converted first to public housing and then to Section 8 project-based vouchers;

WHEREAS, it is in the best interests of the Housing Authority to move forward with Restore-Rebuild and in the process take all necessary steps to acquire, own and operate the Property, including 186 units of affordable housing on the Property, and to cancel the existing loan of $34,200,000 from the Housing Authority to AAHC for Independence Plaza, (the "**Acquisition and Loan Cancellation Documents**");

WHEREAS, it is in the best interests of the Housing Authority to provide up to $4,000,000 in its funds to facilitate the Restore-Rebuild transaction in the form of a grant;

WHEREAS, it is in the best interests of the Housing Authority to execute and deliver any and all documents or agreements necessary or advisable for the HUD approval, acquisition, financing, management, operation and maintenance of the Property, including, but not limited to, grant deeds, regulatory agreements, covenants, subordination agreements, assignments of rents, leases, income and profits, grant agreements, management agreements, service contracts, housing assistance payments contracts and similar or related agreements for housing subsidies, and any other types of agreements (collectively, the "**Project Documents**");

WHEREAS, it is in the best interest of the Housing Authority to execute such documents (including, without limitation, any indemnities and guaranties) and to perform such actions as may be required in order to obtain all necessary and appropriate title insurance policies for the Property and for any waiver of entitlement or similar fees (collectively, the "**Title Documents**");

WHEREAS, the Housing Authority intends to enter into public housing documents and then a housing assistance payments contract as part of the Restore-Rebuild transaction, and other agreements or documents as needed in connection with the conversion of participating units first to public housing and then to project-based vouchers, including to obtain HUD approval (collectively, the "**HUD Documents**"); and

WHEREAS, it is in the Housing Authority's best interest to accept assignment of the Community Improvement Commission's Affordable Housing Agreement entered into by the Housing Authority of the City of Alameda and the Community Improvement Commission of the City of Alameda dated January 18, 1989, as amended, from the Alameda Affordable Housing Corporation and to seek consent to by the Successor Agency to the Community Improvement Commission (the "**CIC Assignment**").

NOW, THEREFORE, BE IT RESOLVED, that in addition to the authorizations and approvals provided by Resolution No. 1054 adopted on June 21, 2023, the Board hereby approves and is authorized to enter into the following transactions, documents and actions, as applicable:

1. Acquisition and Loan Cancellation Documents
2. Project Documents
3. Title Documents;
4. HUD Documents
5. CIC Assignment and Assumption Agreement; and
6. Such other documents, agreements, contracts and actions deemed necessary or advisable by an officer of the Housing Authority in furtherance of these resolutions and/or to assist in the acquisition of the Property and its participation in Restore-Rebuild (collectively including items 1-6, the "**Transaction Documents and Actions**"), as outlined in this Resolution and otherwise and using its own independent judgment.

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or her designee to enter into or undertake the Transaction Documents and Actions subject to any minor conforming, technical or clarifying changes approved by the Executive Director or her designee and Housing Authority counsel. The Executive Director, or her designee, are hereby further authorized and directed to take such further actions including financial changes up to a limit of $1,500,000 and execute and record such documents as are necessary to accept the Transaction Documents and actions.

BE IT FURTHER RESOLVED, that all actions previously taken by the Housing Authority, or its employees, officers and agents in connection with the Property or the transactions or initiatives described herein are hereby ratified and approved.

******

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Carly Grob, Chair
Board of Commissioners

Adopted: ______________________
Date

Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jenny Wong, Senior Project Manager

Date: November 20, 2024

Re: Accept the Update on Initial Development and Financing Plan and Project Timeline for The Poplar (2615 Eagle Avenue).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) purchased the property at 2615 Eagle Avenue in March 2022. AHA has a goal of serving 50 families with affordable housing, with up to 25% supportive housing apartments if required by funding sources. The development will have a preference for Alameda Unified School District (AUSD) staff, as well as a live/work preference for Alamedans.

In December 2023, the Board agreed to enter into a $3.4 million pre-development loan from Capital Impact Partners Bay's Future Fund (BFF) to fund the acquisition and pre-development of this site for up to four years. In February 2024, the Board approved a $2.1 million pre-development loan from the Reserve Policy to supplement the BFF loan amount. In March 2024, the Board approved an option to ground lease with a 20-year term to Island City Development (ICD). New requirements on the ground lease include biannual pre-development progress reporting and limitations on transfers to only ICD-controlled entities. The last project report was provided on August 2024.

Please see previous Board Reports for project details prior to this month's update.

DISCUSSION

The Poplar has amassed several short-term financing commitments that require it to make progress in entitlements and environmental clean up. In addition, staff is reviewing financial feasibility to see how this project can move forward in the future.

Funding Commitments

AHA has received redevelopment funding from the City of Alameda for FY 24-25. Redevelopment funding is available on a reimbursement basis. The project is required to spend an additional $2,000,000 on work to further the project by June 2025.

In March 2024, the project was awarded $534,565 in Equitable Community

Revitalization Grant (ECRG) funds from the Department of Toxic Substances Control Office of Brownfields. The grant has a two-year term (March 2024 to March 2026). Grant funds are disbursed on a reimbursement basis and can only be used for environmental site investigation activities.

<u>FY 24-25 Activities</u>
At this juncture, design and entitlement work, procurement, environmental testing and remediation, potential abatement, and demolition need to be accelerated to meet this deadline. The goal is to perform all work on site within a limited time frame to minimize the impact on the neighbors.

Design and Entitlements
The development programming will be available after the architect is selected, but it will include site amenities and resident services programming that aim to support the future tenant's day-to-day life.

The development will not require CEQA review and is zoned for the planned use. The site will have to submit drawings for a ministerial design review process on objective design standards, and for offsite public works approvals. Staff anticipates the preliminary entitlements application will be ready to submit to the City of Alameda in May 2025. The City review process typically takes about a year and includes multiple rounds of interdepartmental review of the plans.

Community Outreach
The ECRG funding requires the project to perform community engagement, which includes sharing regular project updates and facilitating community meetings. Prior to commencing testing on site, staff hand-delivered flyers around the neighborhood to encourage interested parties to visit the AHA website and sign up for the newsletter. Staff will provide regular updates regarding work anticipated and completed on site, as well as project details, via the AHA website and project newsletter. As part of the design and entitlements process, staff will host community meetings to ensure that members of the Alameda Community are made aware of The Poplar redevelopment project including the environmental cleanup occurring onsite and given the opportunity to get involved with the process and/or provide comment on and express preferences for how the Development Plan for the site takes shape. We anticipate community meetings will occur in Spring 2025.

Procurement
In an effort to accelerate the project timeline, AHA anticipates solicitations for the NEPA Consultant, Architect, Geotechnical Consultant, Abatement and Demolition Contractor, and Community Engagement Consultant to be completed by February 2025. Solicitations for a Pre-development Contractor and a Construction Manager are anticipated to be published in late 2025 or early 2026.

Environmental
The property, formerly used by AUSD as a maintenance and storage yard, has low

levels of environmental concerns that require remediation. There was also a former leaking 550-gal gas underground storage tank (UST) which was successfully removed and cleaned up to commercial standards in 1991 under Alameda County Department of Environmental Health (ACDEH) regulatory oversight. Additional environmental testing will be performed by Rincon Consultants, Inc. to assess the full extent of the residual impacts from AUSD operations to determine the appropriate plan for remediation. Initial results from the hazardous building materials survey align with our understanding of the site, which shows the presence of asbestos, lead-based paint or materials, and polychlorinated biphenyls (PBCs) in every building. Prior to demolishing the existing buildings, materials containing lead, asbestos, and/or PCBs will be properly abated and disposed of by a licensed contractor according to state and local regulations.

San Francisco Bay Regional Water Quality Control Board (SFBRWQCB) is serving as the regulatory oversight agency overseeing Rincon's environmental scope of work and ultimately providing case closure when the site is cleaned up to residential standards. The ECRG funding requires the site to be fully remediated, not just mitigated. This means any environmental concerns beyond safe residential standards are required to be removed from the site, not just capped in place by a vapor barrier, and the clean-up methodology cannot result in long-term monitoring controls.

Demolition

A NEPA study, hazardous building materials testing, potential abatement, and disposition of surplus property on site will be completed prior to demolition of the existing buildings. Demolition is expected to be completed by June 2025.

Financial Feasibility

The projected total development cost for The Poplar is $51,030,618, or approximately $1,020,612 per unit. In comparison, the total development costs for The Estuary I and Linnet Corner, which are comprised of primarily studio and one-bedroom units, are approximately $954,000 and $832,000 per unit, respectively. Land costs, including acquisition, holding, and demolition costs, are approximately $3,313,700. Construction hard costs are approximately $36,600,000 ($732,000/unit). Compared to market rate multifamily projects, affordable housing developments in the Bay Area have much higher construction costs due to the regulatory requirements imposed by the funding, such as sustainability requirements above already high California standards, higher ADA standards, and payment of prevailing wages. Additionally, The Poplar has special features that result in higher costs than other AHA LIHTC projects, such as building at a high density on an awkward-shaped site and the higher ratio of larger unit sizes (at least 50% of units are two- or three-bedroom units). The projected hard costs also assume an inflation of 6% a year for three years, as contingency, since the earliest construction may commence is in late 2027. The balance of costs are for financing and soft costs.

Permanent funds committed to the project total approximately $7,922,618. The project is anticipated to apply for the maximum amount of 9% LIHTC in 2027, which is currently $2,500,000 in federal tax credits, yielding an estimated $19,998,000 of tax credit equity to fund the project. The Poplar financials will sustain a first trust deed permanent loan of

$8,110,000 sized based on the income generated from tenant rent and subsidy payments. Additionally, approximately $500,000 of the project's allowable developer fee is proposed to be deferred during the construction period, which serves as an offset on the sources and the uses side.

The initial pro forma estimates a $22,400,000 ($448,000/unit) in gap financing to support the financing of the development. In comparison, the Rosefield project used $33,838,149 in gap financing ($367,806/unit). Local sources for this project potentially include additional AUSD ROPS, City of Alameda funds and/or funding from the AHA. Once local funds are secured, remaining funding could be funded by State sources such as MHP, AHSC, and IIG funding. State funding is heavily dependent on voter-approved replenishment of the bond financing at the State level.

Staff will continue to explore all eligible avenues of local, State, Federal, and private funding available. Leveraging committed funds such as AUSD ROPS and ECRG will be important for the project to move forward with obtaining additional soft funding, winning tax credits, and ultimately starting construction. Staff expects the affordable housing funding environment will remain extremely competitive due to the limited resources currently available. The City of Alameda also recently applied for a pro-housing designation. If the designation is granted, this would give projects in Alameda such as The Poplar an advantage in the scoring on competitive funding programs.

Please refer to Attachment 1 for the proposed Financing Plan.

FISCAL IMPACT

Pre-development expenses at the Poplar are currently being funded by AUSD ROPS funding and the Capital Impact BFF loan. Environmental specific costs can be reimbursed through the ECRG grant.

Please refer to Attachment 2 for the pre-development budget.

CEQA

Not applicable.

RECOMMENDATION

Accept the Update on Initial Development and Financing Plan and Project Timeline for The Poplar (2615 Eagle Avenue).

ATTACHMENTS

1. Att1_The Poplar Proposed Financing Plan
2. Att2_The Poplar Predevelopment Budget
3. The Poplar PPT - Nov 2024

Respectfully submitted,

Jenny Wong, Senior Project Manager

The Poplar – Proposed Financing Plan Estimated as of November 1, 2024

Sources		*per unit costs*
9% Tax Credit Equity	$19,998,000	*$399,960*
Permanent Loan	$8,110,000	*$162,200*
Committed AUSD ROPS	$4,888,053	*$97,761*
Additional Gap Financing	$17,000,000	*$340,000*
ECRG Round 2 Grant	$534,565	*$10,691*
Deferred Developer Fee	$500,000	*$10,000*
Total Sources	$51,030,618	*$1,020,612*

Uses		*per unit costs*
Land	$3,313,700	*$66,274*
Construction	$36,600,000	*$732,000*
Architectural & Engineering	$1,200,000	*$24,000*
Financing Costs	$4,000,000	*$80,000*
Reserves	$518,800	*$10,376*
Permits and Impact Fees	$1,075,000	*$21,500*
Developer & Syndication Fees	$2,640,000	*$52,800*
Other Soft Costs	$1,683,118	*$33,662*
Total Development Cost	$51,030,618	*$1,020,612*

The Poplar – Predevelopment Budget Estimated as of November 1, 2024

Uses	Costs
Acquisition	$2,500,000
Demolition & Carrying Costs	$600,000
Design Consultants	$800,000
Entitlements & Permitting	$175,000
LIHTC and Financing Fees	$206,000
Predevelopment Financing Fees	$366,960
Environmental Costs	$500,000
Other Soft Costs & Contingency	$289,040
Total	$5,437,000

The Poplar
Project Timeline & Financing Plan

November 2024 AHA BOC

Housing Authority
— of the —
City of Alameda

Development Program

- New construction of 50 rental units (1-3 bedroom units), including 1 onsite manager's unit
- Serving family households earning 20-60% of area median income and 25% special needs
- Up to four stories in height with one elevator
- Amenities: community room, laundry room, bike parking, surface or tuck-under car parking, and onsite resident services programming
- The project will be seeking project-based voucher rental subsidy
- Leasing preference for Alamedan residents and workers and AUSD staff

Timeline

<u>2022</u>

• March	Site acquisition
• May	AHA Option to Ground Lease through December 2023
• June	Awarded $1,474,053 City ROPS FY 22-23

<u>2023</u>

• June	Awarded $1,664,000 City ROPS FY 23-24
• December	Closed on $3.3 million Capital Impact Partners predevelopment loan

<u>2024</u>

• February	$2.1 million AHA predevelopment loan
• March	Renew AHA Option to Ground Lease for 20-year term; Awarded $534,565 DTSC ECRG Grant
• June	Awarded $2,000,000 City ROPS FY 24-25
• August-December	Selected environmental consultant, perform Phase I and Phase II ESA

Timeline

2024 continued

- November — Select NEPA consultant; Begin circulation of quarterly newsletter; Disposal of surplus property onsite
- December — Demolition plan approval; Select architect; Select geotechnical engineer

2025

- January — Select abatement and demo consultant
- February — Begin neighborhood outreach meetings
- April (tentative) — Perform abatement and demolition
- May — Submit entitlements application to the City
- June — Deadline to spend down $2,000,000 City ROPS FY 24-25

2026

- March — ECRG grant period ends (must complete site testing)
- May — Obtain Entitlements approval; Start working drawings
- November — Select predevelopment contractor; Select construction manager

Timeline

2027

• February (target)	Submit 9% LIHTC application; minimum 50% level working drawings
• May	Obtain building permits
• May (target)	9% LIHTC Award
• November (target)	Construction loan closing; Capital Impact loan payoff; construction start
• December	Capital Impact predevelopment loan due

2028+

• August 2028	Lease-up begins*
• May 2029	Construction completion (18 months)*; Move-ins begin*
• September 2029	100% Lease-up complete*
• January 2030	Permanent financing conversion*

**these milestones are dependent on the construction start date*

Environmental Issues

- **Regulatory oversight agency:** San Francisco Bay Regional Water Quality Control Board (Regional Water Board)
- **Funding:** Department of Toxic Substance Control (DTSC) Equitable Community Revitalization Grant (ECRG) for site investigation
- **Goal:** ECRG funding requires the site to be fully remediated (cleaned up to residential standards), not just mitigated.
- **Site conditions:**
  - Former AUSD maintenance yard (1939-2021). A leaking 550-gal gas underground storage tank (UST) was removed in 1991 under Alameda County Department of Environmental Health (ACDEH) regulatory oversight. Case closed to 1991 commercial standards.
  - Prior environmental reports identified low levels of soil and soil vapor concerns from historic uses at the site. Additional testing is required to assess the type and locations of residual impacts. Test results will inform the cleanup method.

Environmental Scope of Work

- August-December 2024 — **Phase I ESA & Phase II ESA** – draft site investigation work plan; testing soil and groundwater using soil borings and testing soil vapor using probes; and performing geophysical and building materials surveys.
- December 2024-February 2025 — **Remedial Action Plan** – draft site cleanup plan. Regional Water Board to review and approve of plan. Test results will inform the cleanup scope.
- Throughout — **Quarterly reporting** to DTSC ECRG.
- TBD — ECRG provides funding for a soil vapor extraction (SVE) **pilot study**, but the environmental consultant's initial review of the site shows that SVE is likely not required to achieve full cleanup. Full clean up is required by the ECRG grant.

Financing Committed

Short Term Funding

- Capital Impact predevelopment loan: $3,337,000
  - Repayment required by January 1, 2028
- ECRG Round 2 Grant: $534,565

Permanent Funding

- AUSD ROPS funding: $4,888,053

Predevelopment Budget

as of November 1, 2024

Uses	Budget
Acquisition	$2,500,000
Demolition & Carrying Costs	$600,000
Design Consultants	$800,000
Entitlements & Permitting	$175,000
LIHTC Fees	$206,000
Predevelopment Financing Fees	$366,960
Environmental Costs	$500,000
Other Soft Costs & Contingency	$289,040
Total	**$5,437,000**

Proposed Sources & Uses Budget

as of November 1, 2024

Sources	Amount	per unit	Uses	Amount
9% Tax Credit Equity	$19,998,000	*$399,960*	Land	$3,313,700
Permanent Loan*	$8,110,000	*$162,200*	Construction	$36,600,000
Committed AUSD ROPS	$4,888,053	*$97,761*	Architectural & Engineering	$1,200,000
Additional Gap Financing**	$17,000,000	*$340,000*	Financing Costs	$4,000,000
ECRG Round 2 Grant	$534,565	*$10,691*	Reserves	$518,800
Deferred Developer Fee	$500,000	*$10,000*	Permits and Impact Fees	$1,075,000
			Developer & Syndication Fees	$2,640,000
			Other Soft Costs	$1,683,118
Total	$51,030,618	*$1,275,765*	Total	$51,030,618

*proforma anticipates up to 40 PBVs
**potential sources include more AUSD ROPS, City funds, HCD LHTF/AAHTF match (limited), State funds, other

Cost Justification

- Per unit cost is $1,275,765
- High density on an awkward-shaped site
- Environmental clean up of site
- High construction costs in the Bay Area
- Larger unit sizes (25% 2-bedrooms and 25% 3-bedrooms) required by the state
- Funding and regulatory requirements such as high sustainability measures, higher ADA standards, and payment of prevailing wages

Uses	Amount
Land	$3,313,700
Construction	$36,600,000
Architectural & Engineering	$1,200,000
Financing Costs	$4,000,000
Reserves	$518,800
Permits and Impact Fees	$1,075,000
Developer & Syndication Fees	$2,640,000
Other Soft Costs	$1,683,118
Total	$51,030,618

Risks and Considerations

- Meeting funding deadlines
  - AUSD ROPS FY 24-25 – need to spend $2,000,000 by June 2025
  - Environmental/ECRG – need to spend $534,565 by March 2026
- Large funding gap. Competitive funding environment due to limited public financing available in CA
- Ongoing regulatory changes and scoring criteria impacts project competitiveness and requires consistent learning (TCAC, HCD, etc.)
- Long timeline to obtain City entitlements and building permits (2-year review period)

Opportunities

- Over $5.66 MM in permanent soft loans committed and available to use on the project.
- Remediation and demolition removes environmental risk and safety concerns.
- AHA's mission to is provide all types of housing. We are circling back to family housing. Other recent projects have focused on studios and 1-bedrooms for senior and homeless populations. Project aims to provide up to 50 affordable units for Alamedans when completed.
- Amenity rich, walkable neighborhood. City public improvement project along Tilden would benefit the future residents.
- Positive factors for financing - "high opportunity" neighborhood and City's pro-housing designation.

Questions or Comments?

Housing Authority of the City of Alameda

Housing Authority of the City of Alameda
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tonya Schuler-Cummins, Director of Data and Policy

Date: November 20, 2024

Re: Approve Update to the Admissions and Continued Occupancy Policy and allow Executive Director to Make Revisions.

BACKGROUND

HUD requires an approved Admissions and Continued Occupancy Policy (ACOP) to operate Public Housing units. The Housing Authority of the City of Alameda (AHA) operated Public Housing until 2008 with an ACOP in place. The ACOP outlines the policies governing tenant eligibility, selection, and continued occupancy within the Public Housing program. In short, it is the Public Housing equivalent of the Administrative Plan for the Housing Choice Voucher program.

DISCUSSION

AHA has updated the ACOP as rules have changed since 2008. This ACOP would only be in effect while families at Independence Plaza are in Public Housing units. At this time, that is anticipated to be from November 21, 2024 to December 1, 2024, but is subject to change. Once families are moved into Project-Based Voucher units, the ACOP would no longer be a valid policy for AHA.

This update will be reviewed by HUD who may require revisions, so authorization for the Executive Director to make any needed revisions is included in the recommendation to allow for the Restore-Rebuild initiative (formally known as Faircloth-to-RAD) process to move forward within the timeline. Any major revisions would come back to the Board for ratification after the fact.

FISCAL IMPACT

AHA will receive funds from HUD for the Restore-Rebuild initiative (formally known as Faircloth-to-RAD) of over $500,000. This conversion will also allow AHA to receive Project-Based Voucher assistance for the next 20 years of approximately $2.6-$3.2 million per year.

CEQA

Not applicable.

RECOMMENDATION
Approve Update to the Admissions and Continued Occupancy Policy and allow Executive Director to Make Revisions.

ATTACHMENTS
None

Respectfully submitted,

Tonya Schuler-Cummins, Director of Data and Policy