



Exhibit 1

CDA of the City of West Allis Proposed Administrative Plan Changes

Chapter 1

1-III.D. UPDATING AND REVISING THE PLAN

Proposed policy is to address substantial deviations or modifications to the Annual Plan or 5-Year Plan

- Current Policy:** The PHA will review and update the plan as needed to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.
- New Policy:** The City of West Allis Community Development Authority may amend or modify any policy, rule, regulation, or other aspect of the 5-year and/or Annual Plan. The Quality Housing and Work Responsibility Act of 1998 does not require an annual update of the 5-Year Plan, but does require that public housing authorities explain any “substantial deviation” from the 5-Year Plans in their Annual Plans. A substantial deviation can include:

A change or changes to the 5-year goals or objectives that are substantial but do not rise to the level of a “significant amendment” (such as the modification or elimination of a specific objective or minor program while retaining the overall strategic goal and accomplishing it through other objectives).

A “significant amendment or modification” to its 5-Year plan and/or Annual Plan is a change in policy that significantly and materially alters the City of West Allis CDA stated mission, goals, objectives and activities as stated in the Plan. If a change is considered a significant amendment or modification to the 5-Year Plan or to the Annual Plan, it must undergo a public process that includes consultation with the Resident Advisory Board; public notice and public comment period; a public hearing, and approval by the West Allis CDA Board of Commissioners; and submission to and approval by HUD.

Significant amendments are defined as including the following:

- A change that materially revises the agency’s mission, goals, or objectives;
- Material changes to rent or admissions policies or organization of the waiting list;
- Additions of a Capital Fund project or non-emergency work items that are not included in the current Annual Statement or 5-year Action Plan in an amount equal to or greater than \$1,000,000, excluding projects arising out of federally-declared major disasters; circumstances beyond the control of the Authority, such as earthquakes, fires, and storm damage; civil unrest; or other unforeseen significant event;
- Changes in the use of replacement reserve funds under the Capital Fund program in an amount equal to or greater than \$1,000,000;
- Material changes in regard to demolition, disposition, designation, homeownership, capital fund financing, development, mixed financing proposal or conversion activities;
- Any other event or activity that the CDA’s Board of Commissioners determines to be a significant amendment to the approved 5-Year Plan or Annual Plan.

Chapter 2

2-I.C. DISCRIMINATION COMPLAINTS

Proposed change is to identify the types of discrimination complaints and address how each will be treated.

Current Policy: **Discrimination Complaints**

Applicants or participants who believe that they have been subject to unlawful discrimination must notify the PHA in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

New Policy: **General Housing Discrimination Complaints**

Applicants or participants who believe that they have been subject to unlawful discrimination must notify the PHA in writing.

Within 10 business days of receiving the complaint, the PHA will investigate and attempt to remedy discrimination complaints made against the PHA. The PHA will also advise the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations in PHA lobbies, will reference how to file a complaint with FHEO.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Complaints under the Equal Access Final Rule

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

VAWA Complaint Processing

Applicants or tenant families who wish to file a VAWA complaint against the PHA may notify the PHA either orally or in writing.

The PHA will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The PHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

The PHA will attempt to remedy complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Chapter 3

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]

Proposed change to remove the definition of foster child from the text of the policy and remove HQS.

Current Policy: A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

New Policy: A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of space standards as described in Section 8-I.F. of this policy.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232; HCV GB, p. 5-13]

Proposed change is to add a PHA policy to comply with new HOTMA requirement.

Current Policy: None

New Policy: The PHA has established a policy that the family's revocation of consent to allow the PHA to access records from financial institutions will result in denial of admission.

3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]

Proposed change is to comply with HOTMA.

Current Policy: None

New Policy: The PHA defines not sufficient for the size of the family as being overcrowded based on space standards in Chapter 8 of this policy.

3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

Proposed change is to include criminal sexual conduct.

Current Policy:	<p>If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.</p> <p><i>Drug-related criminal activity</i>, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100];</p> <p><i>Violent criminal activity</i>, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100];</p> <p><i>Criminal activity</i> that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; <i>Immediate vicinity</i> means within the service area of the PHA.</p> <p>Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent);</p>
New Policy:	<p>If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.</p> <p><i>Drug-related criminal activity</i>, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100];</p> <p><i>Violent criminal activity</i>, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100];</p> <p>Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; <i>Immediate vicinity</i> means within the service area of the PHA.</p> <p><i>Criminal sexual conduct</i>, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse; or</p> <p>Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent);</p>

CHAPTER 4

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.201]

Purposed change is to remove the specific timeframe.

Current Policy:	The waiting list will be updated as needed every six to twelve months to ensure that all applicants and applicant information is current and timely
New Policy:	The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

CHAPTER 6

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Temporarily Absent Family Members

Purposed change is to address the income of a temporarily absent family member.

Current Policy: 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.

New Policy: Unless specifically excluded by the regulations, the income of all 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.

6-I.D. EARNED INCOME

Wages and Related Compensation

Purposed change is to clearly identify that the gross amount of earned income is counted.

Current Policy: For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or interim. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

New Policy: The PHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or interim. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

6-I.H PERIODIC PAYMENTS

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]

Purposed change is to address the three issues that arise as a result of the delayed-start of a periodic payment.

Current Policy: When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

New Policy: The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, the PHA will consider the amount when processing the family's next annual recertification.

Alimony and Child Support

Purposed change is to address how alimony and child support income is handled.

Current Policy: The PHA will count court-awarded amounts for alimony and child support unless the PHA 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 [HCV GB, pp. 5-23 and 5-47].

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.

New Policy: The PHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement.

The PHA will count court-awarded amounts for alimony and child support unless the family certifies and the PHA verifies that the payments are not being made.

In order to verify that payments are not being made, the PHA will review child support payments over the last twelve months.

If payments are being made regularly, the PHA will use the amount received during the last 12 months. If payments have been made for a period less than 12 months, the PHA will average all payments that have been made.

At new admission or interim recertification, if any lump sum payments were made in the past 12 months, the PHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.

If the PHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.

If the PHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.

If no payments have been made in the past twelve months and there are no lump sums, the PHA will not include alimony or child support in annual income

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b)]

Purposed change is to identify the definition of Training Program and Incremental Earnings and Benefits, as well as how this income from state and local employment training programs will be treated.

Current Policy: None

New Policy: The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The PHA 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 PHA 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 PHA’s interim reporting requirements (see Chapter 11).

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]**Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27] (New)***Phased-In Relief*

The purposed change is to comply with HOTMA

Current Policy: None

New Policy: The PHA will not continue the phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

General Relief (New)

The purposed change is to comply with HOTMA

Current Policy: None

New Policy: To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family’s health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family’s financial hardship is a result of a change in circumstances. The PHA defines a *change in circumstances* as a decrease in income or increase in other expenses that has resulted in the family’s financial hardship but does not, on its own, trigger an interim reexam in accordance with PHA policies.

Examples of circumstances constituting a financial hardship may include the following situations:

The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;

The family’s income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or

Other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

New Policy:

The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a hearing.

If the family qualifies for an exemption, the PHA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

Child Care Expense Hardship Exemption [24 CFR 5.611(d) and Notice PIH 2023-27] (New)

The purposed change is to comply with HOTMA

Current Policy:**New Policy:**

For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the child care expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child care expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the child care expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by-case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

CHAPTER 7

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; 24 CFR 5.230; and Notice PIH 2023-27]

Form HUD-9886 [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5)]; Notice PIH 2023-27 (New)

Purposed change is to comply with HOTMA.

Current Policy: None

New Policy: Family members turning 18 years of age will be required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual reexamination.

7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]

Purposed change is to comply with HOTMA.

Current Policy: None

New Policy: When available and applicable, the PHA will accept other programs' Safe Harbor determinations of income at annual reexamination to determine the family's total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions. Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs' determinations of income for any new admission or interim reexamination.

With the exception of income determinations made under the Low-Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.

In order to be acceptable, the income determination must:

- Be dated within 12 months of the dates listed above;

- State the family size

- Be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members); and

Must state the amount of the family's annual income.

The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.

When the PHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA's calculation of the family's total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family's annual reexam will not be considered. If the family has a change in income that occurs after the annual reexam

effective date, the PHA will conduct an interim reexam if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27] (New)

EIV +_Self-Certification (New)

Purposed change is to comply with HOTMA

Current Policy: None

New Policy: At annual reexamination, if the PHA is unable to use a determination of income from a means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.

The PHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The PHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the PHA will use written third-party verification from the source as outlined below.

The PHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.

7-III.F. ASSETS AND INCOME FROM ASSETS

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)] (New)

Purposed change is to comply with HOTMA

Current Policy: None

New Policy: Both at admission and reexam, the PHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If the family declares they have a present ownership in real property, the PHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.L. ZERO INCOME STATUS REVIEWS [Notice PIH 2023-27]

Purposed change is to comply with HOTMA

Current Policy: The PHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero annual income. In addition, the head of household and/or any household members will be required to complete and submit zero-income verification statements to the PHA.

New Policy: The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., are not being received by families claiming to have zero annual income.

The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.

The PHA will only conduct interims in accordance with PHA policy in Chapter 11.

7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION

Purposed change is to comply with HOTMA

Current Policy: Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

When income is projected at new admission or interim, the PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms if the family is unable to provide acceptable documentation.

When income is projected at new admission or interim, if third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

New Policy: Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

When income is projected at new admission or interim, the PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms if the family is unable to provide acceptable documentation.

When income is projected at new admission or interim, if third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the

person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

CHAPTER 11

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Reporting

Purposed change is to comply with HOTMA and identify when changes must be reported by.

- Current Policy:** The PHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.
- New Policy:** All families must report all changes in family and household composition that occur between annual reexaminations within 10 business days of the change.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim Decreases [24 CFR 982.516(c)(2) and Notice PIH 2023-27]

Proposed change is to eliminate the administrative burden on staff.

- Current Policy:** The PHA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.
- New Policy:** Generally, the PHA will only conduct an interim when the family's adjusted income has decreased by an amount that is 10 percent or more of the family's adjusted income.
- When determining the 10 percent threshold, the PHA will round calculated percentages up or down to the next nearest unit as applicable (e.g., a calculated decrease of 9.5 percent will be rounded to 10 percent).
- However, the PHA will perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:
- When there is a decrease in family size attributed to the death of a family member; or
 - When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27] Increases 10 Percent or Greater (New)

Proposed change is for ease of administration

- Current Policy:** Families are required to report all changes in income within 10 business days of the change occurring. The PHA will conduct an interim reexamination to recalculate the new family share of rent and new subsidy amount.
- New Policy:** When a family reports an increase in their earned income between annual reexaminations, the PHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.
- The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.
- The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 14.

Family Reporting-

Purposed change

- Current Policy:** Families are required to report all changes in income within 10 business days of the change occurring. The PHA will conduct an interim reexamination to recalculate the new family share of rent and new subsidy amount.
- New Policy:** The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing. If the family provides oral notice, the PHA may also require the family to submit the changes in writing.

Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination.

If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by Assistance Check, mail, email, fax, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

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

11-III.D. EFFECTIVE DATES [24 CFR 982.516(e) and Notice 2023-27]

Changes Not Reported Timely [Notice PIH 2023-27] (New)

Proposed change is to comply with HOTMA

- Current Policy:** 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 timeframes, or fails to provide all required information within the required timeframes, 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 16.
- If the family share of the rent is to decrease:
On or before the 15th of the month, 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 submitted.
- After the 15th of the month, the decrease will be effective on the first day of the second month following the month in which the change was reported and all required documentation submitted.

New Policy:

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination.

However, the PHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to PHA management operations. The PHA will decide to apply decreases retroactively on a case-by-case basis.

When the PHA applies the results of interim decreases retroactively, the PHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with PHA policies.

The PHA will also clearly communicate the effect of the retroactive adjustment to the owner.

CHAPTER 16

16-IV.B. REPAYMENT POLICY

Refusal to Enter into an Agreement (New)

Proposed change is to identify the collections efforts the PHA will seek against a family refusing to agree to repay a debt owed.

Current Policy: None

New Policy: When a family refuses to repay monies owed to the PHA, in addition to termination of program assistance, the PHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil lawsuit
- State income tax set-off program