

KBIC
Housing Department

Admission and Occupancy
Policy

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III DEFINITIONS

Mission Statement

The goal of the Keweenaw Bay Indian Community Housing Department is to provide affordable housing in a safe and healthy environment to qualifying members of the Keweenaw Bay Indian Community; to encourage financial self-sufficiency of the community's low-income families; and to develop opportunities for home ownership.

Program Overview

The Housing Department Admissions & Occupancy Policy shall comply with all applicable regulations of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), 25 U.S.C. §4101 et. Seq., as amended, 24 C.F.R. §1000 et. Seq., along with other applicable rules and regulations including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200. The KBIC Tribal Council shall approve all amendments to this policy to comply with any applicable laws or regulations.

The Keweenaw Bay Indian Community Housing Department, hereafter, referred to as the Housing Department, has established these policies to provide guidelines for the Housing Department Rental Program. These policies are to ensure a fair and equitable process for tribal housing.

This policy is applicable to all applicants applying for, or tenants being provided housing services from the Housing Department.

The intent of this program is to provide low-income families with safe, affordable housing. This program offers a variety of single-family detached homes (2BR, 3BR, 4BR), duplexes (1BR, 2BR), and apartments (1BR) to qualified individuals on yearly lease.

Elderly apartments are available to eligible Indian elderly persons and elderly families on a month-to-month lease basis. Superior View Complex houses twenty-five (25) (1BR) apartments in an enclosed, secure apartment building.

I. ADMISSIONS

A. APPLICATION

The application is the basic record of each family/person applying for admission and/or services. Each applicant will be required to provide all information requested on the application and to sign all necessary forms, documents, and certifications. All information or any statement made by the applicant is subject to verification. The applicant must certify that all information contained in the application is true and accurate to the best of his/her knowledge.

Applications shall be processed at the Housing Department office located at 220 Main Avenue, Baraga, MI. Immediately upon receipt of a complete application, the application will be date/time stamped by the housing staff.

Applicants should only list areas in which they really want to live. Rejection of an offer of a unit without reasonable cause will result in a new date for the waiting list in all preference areas. Available area locations are: Baraga, Zeba, Marquette, and Superior View Complex (Elderly)

1. Verifications

In order to determine that data upon which program determinations are accurate, such data must be verified. The preferred method of verification shall be written verification by a third party. In the event that third party verification cannot be obtained, applicant may be allowed to submit relevant information if the submission contains a notarized statement, certification, or affidavit signed by the applicant, and stating that the information submitted is true and accurate. Complete and accurate verification records consisting of, but not limited to, the following will be maintained:

- a) Letters or other statements from employers and other pertinent sources giving authoritative information concerning all amounts of income.
- b) Copies of documents in the applicant's possession, which substantiate his/her, statements, or a brief summary of the pertinent contents of such documents signed and dated by the staff who viewed them.
- c) Certified statements, or summary data from bank account, from self-employed persons, and from persons whose earnings are irregular, such as salespersons, taxi drivers etc., setting forth-gross receipts, itemized expenses and net income.
- d) Memoranda of verification data obtained by personal interviews, telephone, or other means, with source, date reviewed and the person receiving the information clearly indicated. In addition, each applicant must sign a consent form for the release of information.

2. Application Update

The applicant is responsible for making corrections or for updating the application every twelve (12) months. Failure to update an application for a period of twelve (12) months is grounds for placing the application in an inactive file and removing the family from the waiting list. Applicants whose application is nearing the twelve (12) month expiration date will be notified of the expiration date. This notification will be mailed at least two (2) weeks prior to the expiration date.

3. Suspending Applications

The Housing Department reserves the right to close the waiting list and suspend the taking of new applications at any given time. The department may also set submission deadlines for inclusion in a particular project, program, or funding year.

4. Application File

The Housing Department shall maintain a file for each family completing an application. All information supplied by the applicant, verification of information, and all relevant correspondence with the applicant shall be contained in the file. Files will be placed in one of four categories.

- a) *Eligible* - This file contains those applications, which have met initial eligibility requirements and have been placed on the waiting list for the rental program.
- b) *Ineligible* - This file contains those applications, which have not met initial eligibility requirements and have been determined to be ineligible for the rental program.
- c) *Incomplete/Pending* - This file contains those applications that have not been sufficiently completed or verified for a determination of eligibility to be made. Applicants submitting an incomplete application will be notified and given seven (7) working days to submit the missing information. If the information is not submitted in a timely manner, the application will be placed in the inactive file.
- d) *Inactive* - This file contains those applications, which have not been updated within six (6) months. These applicants will be removed from the waiting list and will have to re-apply in order to be placed back on the waiting list. Incomplete applications that are not completed in a timely manner will be placed in this file.

B. ELIGIBILITY

Housing applicants must meet all of the following eligibility requirements to be eligible for the tribal housing program.

1. Applicants with a Debit Balance

This includes any of the following situations where there was non-payment of a rightful obligation:

- a) Applicants who owe tribal housing a balance from present or prior occupancy will not be considered for admission until the account is reduced by one half of the balance owed.
- b) Reasonable assurance must be provided stating that the contributing causes for nonpayment during present or prior occupancy have been sufficiently changed to enable the family to pay when due, rent and other expenses relating to the occupancy of the new dwelling unit.
- c) In those instances, where two unmarried individuals are the leaseholders, and an arrears balance is incurred, the arrears balance will be split between the two individuals.
- d) In those instances, where two married individuals were the leaseholders and an arrears balance was incurred, the arrears balance is considered to belong to the "married

couple”.

- e) If one of the leaseholders pays his/her share of the arrears balance, he/she will be considered eligible for housing. The arrears balance of the other individual(s) will not be held against him/her.
- f) A former lease holder with an unpaid arrears balance cannot be added to the family composition of any household until such time as his/her arrears balance is reduced by one half of the balance owed.
- g) Should there be a divorce or “legal” separation and one of those individuals seeks housing again, the applicant would only be required to pay his/her half of the arrears balance. This approach to payment requires that there be “legal” documentation from the courts evidencing a divorce or “legal” separation.
- h) Applicants who are signatories to PAY BACK AGREEMENTS (to take care of previous accounts arrears) will not be eligible for any housing program until such time as the debt is reduced by one half of the amount owed
- i) To help staff monitor outstanding debts, a database will be maintained by the director that lists all former residents/participants who owe the Housing Department. This database will be updated on a regular basis but no less than quarterly.

2. **Family Composition**

An applicant must qualify as a family, defined as two or more persons who are related by blood, marriage, or operation of law and who have evidenced a stable family relationship; or a single person who lives alone and intends to live alone and does not qualify as an elderly family, displaced person, or remaining member of a tenant family; or a single person who is elderly or near-elderly, handicapped, disabled, displaced, or the remaining member of a tenant family.

Non-Indian Families

If an applicant qualifies as a family but does not qualify as an Indian family, housing may determine the family to be eligible if the family demonstrates that their presence in the community is essential to the well-being of other Indian families and that their need for housing cannot reasonably be met without participation in the program.

3. **Income**

- a. *Maximum Income* - The applicant must qualify as a low-income family, defined as a family whose income does not exceed 80% of the median income for the area or the United States, whichever is greater. Income limits are adjusted for family size and updated on an annual basis. Applicant must be income eligible at the time of admission. Documentation of eligibility at time of admission will be maintained for a minimum of three years after the applicant is no longer participating in the program.
- b. *Insufficient Income* - Participants are required to satisfy obligations for deposits, utilities and maintenance. The applicant must demonstrate the ability to meet these requirements.

- c. *Estimating Income* - The applicant's annual income will be determined by estimating the anticipated total income from all sources to be received by the head, spouse, and additional members of the household over the next 12 months.
- d. *Continued Eligibility* – The applicant may continue in the program once admitted without staying low income.

4. **Social Security Number**

The applicant must furnish the social security numbers and/or copies of social security cards for each family member or person listed on the application.

5. **Minimum Age**

The applicant must be an adult of 18 years of age on the date the application is filed.

- 6. **Applicant determined eligible** the process of eligibility will be determined upon receipt of a completed application. An applicant determined to be eligible shall be promptly notified in writing and placed on the rental program waiting list.

7. **Applicant determined ineligible**

An applicant determined to be ineligible shall be promptly notified in writing. The notice shall state the reason(s) for the ineligibility and shall advise the applicant of his/her right to appeal. The appeal must be requested within seven (7) calendar days of the date of the notice. An appeal hearing to make a final determination of eligibility shall be scheduled at the earliest convenience of both parties. The applicant is given the opportunity to produce evidence, clarify information, and/or ask questions regarding eligibility.

C. WAITING LIST MANAGEMENT

The Housing Department shall maintain a waiting list for the rental program. The list shall be comprised of applicants who have been determined to be eligible. The eligible applicants will be placed on the waiting list by order of priority. Within each priority group, the applicants will be placed in chronological order based on the date the application was turned into the Housing Department.

1. Preference Points

Preference Points

KBIC Elderly (62+)	25
KBIC near Elderly (55-61)	24
KBIC Family with Dependents	23
KBIC Family	22
Transfer KBIC Elderly (62+)	21
Transfer KBIC near Elderly (55-61)	20
Transfer KBIC Family with Dependents	19
Transfer KBIC Family	18

KBIC Descendant includes:

Elderly, Near Elderly, Family w/wo Dependents 17

Transfer KBIC Descendant includes:

Elderly, Near Elderly, Family w/wo Dependents 16

Other Tribes (62+) 15

Other Tribes near Elderly (55-61) 14

Other Tribe Family with Dependent 13

Other Tribe Family 12

Other Tribe Transfers includes:

Elderly, Near Elderly, Family w/wo Dependents 11

Non-Indian Essential Elderly (62+) 10

Non-Indian Essential Near Elderly (55-61) 09

Non-Indian Essential Family with Dependents 08

Non-Indian Essential Family 07

Transfer Non-Indian Essential Elderly (62+) 06

Transfer Non-Indian Essential Near Elderly (55-61) 05

Transfer Non-Indian Essential Family with Dependents 04

Transfer Non-Indian Essential Family 03

1. Selection Procedure and Requirements

The Housing Manager shall select eligible applicants from the rental waiting list in accordance with the selection preferences outlined above, suitable of family size and unit size, and the applicant's respective eligibility dates. Prior to placement in a unit or receipt of services, the Housing Manager shall conduct a thorough screening process of each applicant to determine suitability for admission.

The screening process shall include a review of pertinent factors including the following.

- a. *Rejection Criteria* - Housing Management reserves the right to disapprove the application of individuals applying for programs managed by the department if it is determined that the applicant and/or any member of the household fails within one or more of the categories listed here. Additionally, if a head of household requests permission to add a family member (significant other, extended family, etc.) to the family composition and reside in the assisted unit, denial of said request can be based on the criteria outlined here.
 - i *Destruction of property*- Anyone who received housing assistance and are known to have destroyed rental property will be ineligible for any type of housing assistance from tribal housing.
 - ii *Drug dealers*- Anyone convicted of dealing drugs will be ineligible for any type of housing assistance from ~~then~~ for a period of two (2) years from the date of release.
 - iii *Drug manufacturing*- Anyone convicted of manufacturing drugs (excluding marijuana) will be ineligible for any type of housing assistance from tribal housing.

- iv *Grossly unsanitary or hazardous housekeeping* – a documented history of grossly unsanitary or hazardous housekeeping may constitute cause for rejection of an application. Such conditions may include generally creating any health or safety hazard through acts of neglect or misuse of premises and equipment;
 - a) Causing or permitting infestation, foul odors or other problems injurious to another person's health, welfare, or enjoyment of the premises;
 - b) Depositing garbage improperly;
 - c) Failing to use in reasonable and proper manner all utilities, facilities, services, appliances, and equipment within the dwelling unit;
 - d) Failing to maintain the dwelling unit in a good and clean condition; or
 - e) Any other conduct or neglect, which could result in health or safety problems or in damage to the premises.
 - v *History of criminal activity*- includes members of the family who will be residing in the household. Persons convicted of felony crimes as defined in 18 U.S.C. 3559 (F) (i) or 18 U.S.C. 3559 (F)(ii) will not be eligible for low income housing.
 - vi *Misrepresentation* – Willful or serious misrepresentation in the application process for any housing program managed by the Housing Department will result in corrective action up to and including termination of lease and prosecution for fraud.
 - vii *Rental history*- Anyone previously evicted for non-payment or non-compliance with any IHA, PHA or any private rental unit within the last year will be ineligible for housing assistance from the Housing Department unless approved by Council.
- b. *Determination of Suitability* - In determining whether an applicant is suitable for admission, the Housing Department shall review all of the information gathered in the screening process, taking into consideration the date, nature, and severity of the occurrences and the probability of future occurrences. If an applicant is determined to be unsuitable for admission, a written notice of the determination and the grounds for the determination shall promptly be sent to the applicant. The notice shall advise the applicant(s) of the right to appeal. The request for appeal must be submitted within seven (7) calendar days of the date of the notice. An appeal hearing to make a final determination on the matter shall be scheduled at a suitable time for both parties.
 - c. *Notification of Selected Applicants* - Promptly after an applicant family has completed the screening process and been determined to be suitable for admission, the family will be notified in writing of their selection. The notification shall include the following:
 - i A statement that the family has been selected for participation in the tribal housing program;
 - ii A statement that the family will be required to participate in mandatory orientation

training sessions with the housing staff prior to occupancy which will include such topics:

- Appointment for Orientation
- Lease Review and Education
- Review of Procedures and Policies and important tenant information
- Pet Registration
- Assistance for utilities and rent and deposits if needed
- Maintenance care of unit

iii A statement that admission and contract execution is subject to a final income and eligibility verification;

iv A statement that the notice is not a contract and does not obligate the in any way.

d. *Occupancy Guideline* - In order to prevent overcrowded conditions and wasted space, homes shall be assigned in accordance with the following schedule. The housing staff may make exceptions due to unusual circumstances. Factors to be considered include current family composition, elderly status, disabled status, age and sex of children, potential changes in family composition and availability of unit sizes,

1 Bedroom (1-2 persons), 2 bedrooms (2-3 persons), 3 bedrooms (3-5 persons), 4 bedrooms (5 & up).

These standards may be waived by Housing Director when a vacancy problem exists and is necessary to maintain occupancy by temporarily assigning an applicant a larger unit. Applicants who are moved into a larger unit must vacate the unit upon receipt of a thirty (30) day notice to vacate if a qualifying applicant needs a home and there are no other homes available.

e. *Assignment of Unit* – When a unit is ready for occupancy the applicant will be notified.

- i A statement that a rental lease, including a drug free lease addendum, will need to be executed;
- ii A statement to schedule an appointment and view the unit and/or move in.
- iii A statement that the family has three (3) days in which to respond to the notice, either by accepting or rejecting the service/assistance/unit offered;
- iv The address, location, legal description, unit number;
- v A statement that failure to respond within three (3) days shall be regarded as a rejection of the offer.
- vi After two rejections of an offer shall result in the family receiving a new application date (date of formal rejection); that their application will be placed at the bottom of their priority group on the waiting list

II. OCCUPANCY

A. RESIDENT RESPONSIBILITIES:

1. Payments/Rent

All rent payments are due on the 7th day of the month without billing/prior notice.

2. Security deposit

The resident is required to pay a security deposit for \$250.00 (elderly/disabled \$100.00). The deposit will be fully or partially refundable if all conditions, obligations and requirements of the lease agreement have been satisfied.

3. Utilities

The resident is responsible for all utilities for the unit including deposits, except the residents at Superior View Complex.

4. Principal Residence

As a condition of occupancy, residents are required to use the home as a principal residence.

5. Business use of home

The use of the home for operation of a business is prohibited.

6. Prohibition of subleasing

The resident shall not take in boarders or sublet the unit.

7. Determination of abandoned unit

Management can enter the unit to determine whether it has been abandoned if examination of the premises shows no evidence of occupancy. Additional factors to determine if a unit has been, abandon are: removal of possessions, nonpayment of rent, disconnected utilities. Management will post a notice on the dwelling stating management intends to take possession within 7 days of the posting. Efforts by management to verify location of the tenant will be done. Abandonment shall be deemed termination of the lease by the tenant(s). Participants who abandon a unit will forfeit the deposits.

8. Maintenance/appearance of the home and property

The resident shall provide all basic upkeep of the home, keeping it in an acceptable condition and free from trash, clutter, and debris (including abandoned or junk cars). The Housing Department shall monitor the condition of the unit through periodic inspections.

9. Damage to property

Residents shall refrain from damaging, defacing, vandalizing, destroying or removing any part of the home, or Housing Department property. The head of household and spouse are responsible for all family members, residents, and guests of their homes/units.

10. Structural modifications

No resident shall make any structural modifications or additions to the unit unless approved by the Housing Department. A request for modification shall be made in writing, and shall provide

detailed information regarding the proposed change. If the resident is in full compliance with the terms of the lease, the Housing Department may approve the request. Each request will be considered on a case-by-case basis.

11. Approvable alterations and additions

Modifications that may be approved include but are not limited to energy conservation items, alternative heat and air, adding storage space, adding living space, permanent fencing, and cosmetic interior items. All costs and expenses incurred by the resident in making modifications shall be solely the responsibility of the resident. All construction shall be done in accordance with tribal building codes and ordinances. The housing department shall be given the opportunity to inspect the work during all phases of completion.

12. Public disturbance

Residents shall not engage in unlawful activities that cause a disturbance to Staff, neighbors and the surrounding community. The Housing Department shall maintain a record of all resident complaints.

13. Requirement to list occupants

All persons in the household must be listed on the household composition. Anyone not a member of household who stays in the unit for a period of 14 days or more in one month must be listed in the household. A Change in Household Composition application must be completed by the Head of Household along with required document provided by resident and/or applicant prior to approval. Failure to comply will result in actions up to and including termination.

14. Resident responsibility for children and guests

The resident (head or spouse) is responsible for all actions of the residents, guests, and children of the home and may be held accountable for such actions.

15. Entry of premises during occupancy

- a. *Maintenance* - Tenant agrees that the duly authorized agent, employee or representative of management will be permitted to enter the tenant's dwelling unit for performing routine inspections, maintenance, improvements or repairs. A written statement specifying the time, date and purpose of entry delivered to the premises at least two (2) days before such entry shall be considered reasonable advance notification. The 48 hour notices are waived if the tenant notifies management of the need for repairs and gives verbal permission for management to enter to do the repairs.
- b. *Emergencies* - Management may enter the premises at any time without advance notice when there is reasonable cause to believe an emergency exists. In the event that the tenant and all adult members of the household are absent from the premises at the time of entry, management will leave on the premises a written statement specifying the time, date, and purpose of entry prior to leaving the premises.
- c. *Annual Inspections*-Participants will be advised of inspections at least two days prior to entry. Participants have the right to be present for all inspections. Participant may reschedule with at least 24-hour notice. If the participant reschedules more than once, Housing will have the right to enter and perform the inspection without the participant

present.

16. Insurance

The Tribe shall provide required insurance on the unit structure including fire and extended coverage. The residents will have to secure their own insurance for personal property/contents. It is the resident's responsibility to report all damages to the unit in a timely manner so claims can be processed in a timely manner.

B. PET POLICY

1. Purpose

The purpose of the pet policy is to provide a set of guidelines, which all tenants must follow in order to have a pet(s) while residing in Housing. Housing represents the interests of all tenants and must balance the interests of tenants who want pets with tenants who do not want to live around pets either for personal or health reasons. For this reason, Housing has adopted a restrictive pet policy to keep the impact of pets on the community to a minimum.

2. Applicability

The guidelines are applicable to all tenants of the KBIC's rental program.

3. Requirements

The tenant must provide the following:

a. Registration:

- i A security deposit of \$50.00 is required for a pet. The Pet Deposit will be returned to the resident within thirty (30) days of the move out inspection provided there are no pet related damages, unpaid rent, or any other outstanding debts owed to Housing.
 - a) Pet owners are liable for any damages caused by their pet. The resident will be required to reimburse Housing for all real costs caused by his/her pet.
 - b) Liability is not limited to the amount of the pet deposit.
- ii A photograph of the pet.
- iii Documentation of vaccinations.
- iv An identification tag with the owner's name on it.
- v All pet owners must sign a statement releasing KBIC of any responsibility if their pet should cause injury to any person or person's property.
- vi A \$15.00 fee will be charged for any pet that is not registered at the Housing Office. The fee will be charged monthly until the pet is registered.

- b. Documentation* - All documents regarding pet ownership will be kept in the tenant's file at the Housing Department. The tenant will be given a copy of all signed documents for their own records.

- c. *Pet sitting* - Residents that are pet sitting must follow all pet policy guidelines.
- d. *Tenants shall be permitted to have common household pets as listed below:*
 - i *Birds*-canary, parakeet, finch and other species that are normally kept in cages.
 - ii *Fish*-In tanks or aquariums not to exceed 20 gallons in capacity. Poisonous or dangerous fish are not permitted.
 - iii *Rodents*-Rabbits, hamsters, and gerbils are to be kept in a cage. Mice or rats are not permitted.
 - iv *Dogs*-No attack or fight-trained dogs are permitted.
 - v *Cats*-Must have a scratching post or be de-clawed. They must also be provided with a litter box and be litter box trained. Litter is not to be dumped on housing property or disposed of in a toilet.
 - vi Exotic pets, such as snakes, lizards, game pets or rats will not be permitted.
 - vii Chickens or other farm animals are not permitted.
- e. *Pet Care and Responsibilities of Owner*
 - i Dogs must be confined to the tenant's premises or on a leash at all times. Pets that are unleashed will be impounded and taken to the local Humane Society. It shall be the responsibility of the tenant to reclaim the pet and at the expense of the tenant. In addition, if a member of the housing staff has to take a pet to the Humane Society the tenant will be charged \$20 to cover the expense.
 - ii Doghouses are permitted in the back yard.
 - iii Dogs must be properly and effectively under control and restrained by a responsible individual at all times. At no time may the animal be tied where it can get into a neighbor's yard.
 - iv Any unleashed pet that causes any bodily injury to any resident, guest, visitor or housing staff member shall be removed immediately from the premises without prior notification.
 - v If Housing is scheduled to do official business at the unit, the tenant shall make sure that any dogs on the premises are properly restrained. If Housing enters the unit where a dog is not restrained, and work orders/inspections cannot be completed, the tenant shall be charged a fee of \$15.00. If this same situation occurs again, the pet will be impounded and taken to the local Humane Society. It shall be the responsibility of the tenant to reclaim the dog at the expense of the tenant. In addition, if a member of the housing staff has to take a pet to the Humane Society the tenant will be charged \$20 to cover the expense.

- vi No pet shall be left unattended at the Superior View Complex.
- vii Outdoor fur-bearing pets must wear a flea collar at all times or be on flea prevention medication.
- viii Any waste generated by a pet must be disposed of promptly to avoid any unpleasant and unsanitary condition in the house. Waste from dogs and cat litter must be placed in a plastic bag, tied securely and deposited directly into the trash. If waste is not cleaned up by the tenant a \$15.00 fee per clean up will be charged to the tenant for pet waste found in units, buildings or on tribal property.
- ix Residents are responsible to keep the yard raked and cleaned up in the area where the pet is kept.
- x If a pet is creating excessive noise, barking, whining or digging, which is disruptive to others, the owner must take care of the problem immediately. If the owner does not take care of the problem and the problem persists, the owner will be given a written request from housing that they will have to remove the pet from the premises within fourteen (14) days.

D. INSPECTIONS

1. Initial Inspection

A move-in inspection shall be conducted at the move in with the tenant. At the time of move in the Housing Services Department and the resident shall review the move in inspection and add any additional items on the move in inspection form. The tenant shall have 7 days from the date to call in any additional items missed from the move in inspection; the resident shall sign the inspection

2. Annual Inspection

- a. *Notification* – The Housing Inspector shall provide the resident with written notification of the scheduled inspection at least two (2) days prior to the date of the inspection. The notice shall state that the annual inspection is a requirement of the lease agreement and give the date and time of the inspection.
- b. *Inspection procedure* - The Inspector shall conduct a thorough inspection of the interior, exterior, and adjacent grounds of the unit/home. The resident shall sign the inspection report, which contains the results of the inspection.
- c. *Deficiencies* - If the inspection reveals any deficiencies in the condition of the unit/home, the resident shall be given thirty (30) days to call in a work order to correct the deficiencies, at which time a follow-up inspection shall be scheduled.
- d. *Follow-up inspection* - The Occupancy Specialist shall conduct a follow-up inspection to determine if the deficiencies have been corrected. The resident shall be notified and given the opportunity to be present at the inspection. If the resident has failed to call in the work order to fix the deficiencies, the Housing Department may terminate the lease in accordance with the terms of the agreement.

3. Emergency Inspections

In addition to the annual inspection, inspections may be required by the Housing Department if the resident has received unfavorable inspection reports in the past. High Risk/Special inspections may be required as a condition of initial occupancy if the resident has a poor record of home care at past residences. Housing can inspect any unit without notice if there is evidence of an emergency or special situation. Participants may not change the locks without notifying the Housing Department and providing a key.

4. Move-Out Inspections

- a. Pre-Move Out Interview* - Prior to move out, the occupancy specialist will do a pre-move out interview; this will inform the tenant of their lease obligations and procedures for move out.
- b. Inspection* - Upon termination of the lease, the Housing Department shall conduct a move-out inspection. The resident or representative may be present at the inspection. The Housing Inspector shall prepare an inspection report, which may be signed by the resident, if present. If the deficiencies are not corrected by the deadline, the Occupancy Specialist shall correct the deficient items and charge the resident's account (deposit) for the work. If the amount of the work exceeds the resident's available balance, the resident will be billed for the amount outstanding.
- c. Removal of Personal Property* - It is the responsibility of the resident to remove all personal property from the unit upon lease termination (via move out, abandonment, eviction, etc.). If the resident cannot be located, Housing shall remove and claim the personal items as housing property. Any disposal of said property shall be subject to the Housing Disposition Policy.

E. RENT

1. Rent Basis

Rent is calculated based on income of all adult household members.

2. Definition of Income

The term "income" means income from all sources, for each member of the household, as determined in accordance with criteria prescribed by the U.S. Department of Housing and Urban Development, except that any amounts not actually received by the family may not be considered as income.

Housing reserves the right to use any of the following three (3) definitions in determining income that is most advantageous to the family as outlined in the definitions concluding the Admissions and Occupancy Policy:

- a. Department of Housing and Urban Development's Section 8 definition of income; OR
- b. U.S. Census definition of income; OR
- c. Adjusted gross income as defined by the Internal Revenue Service (IRS).

3. Income Deductions and Exclusions for Determining Rent

A deducted expense may not be reimbursed or paid by an agency or individual outside of the household.

The following are items that are required to be deducted or excluded from income calculations when determining rental charges.

- a. *Youths, Students and Persons with Disabilities* - \$480 may be deducted for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)-
 - i. Who is under 18 years of age; OR
 - ii. Who is-
 - a) 18 years of age or older; AND
 - b) A person with disabilities or a full-time student.
- b. *Elderly and Disabled Families*
 - i. \$400 may be deducted for an elderly or disabled family.
 - ii. Medical and attendant expenses- The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of-
 - a) Medical expenses, in the case of an elderly or disabled family; AND
 - b) Reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.
 - iii. *Exclusion* – Keweenaw Bay Indian Community Tribal Senior/Disabled Pension is excluded from income calculations for rent determination purposes.
- c. *Child Care Expenses* - Child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.
- d. *Earned Income of Minors* - The amount of any earned income of any member of the family who is less than 18 years of age.
- e. *Travel Expenses* - Excessive travel expenses (20 miles one way), not to exceed \$25 per family per week, required for employment or education.

4. Ceiling Rent, Minimum Rent and Utility Allowance

Monthly income will be multiplied by 30%. Once this amount is determined, the applicable utility allowance will be deducted.

- a. *Use of Utility Allowance* - Housing has determined that utilities are to be considered a part of the monthly payment/rent calculation. An amount for the utility allowance will be deducted from the monthly adjusted income (after the percentage multiplier has been

applied, as discussed above) to determine the rent charge. The monthly rent will remain in effect until a re-certification is completed and a new rent amount is established.

- b. *Ceiling Rent* - If the monthly payment/rent calculation results in an amount greater than the established ceiling amount for that particular unit, the resident will be charged the ceiling amount minus the utility allowance.
- c. *Minimum Rent* - Minimum rental charge will be \$ 0; there will be no negative rent.
 - i. *No Income* - When the Tenant moves into the unit or is recertified and has no income, he/she must sign a form verifying this. In the event of an Interim Recertification where the Tenant has no income, the Tenant must pay the minimal rental amount for that month and has one (1) month to secure income to base his/her rent on.
 - ii. Housing may suspend the monthly rent charge for a specified period of time due to unusual circumstances, such as substantial rehabilitation/repair work being performed on the unit/house. The resident may request the suspension of rent and Housing shall approve/disapprove the request and notify the resident in writing of the determination.
- d. *Adjustment of utility allowances* - If Housing determines that an adjustment in the utility allowances is to be made, the affected residents shall be given written notice of the adjustment not less than thirty (30) days prior to the effective date of the adjustment.

UNIT SIZE	1 BR	2 BR	3 BR	4 BR
Ceiling Rent:	\$359	\$413	\$503	\$557
Low-Income Utility Allowance:	\$106	\$115	\$158	\$174
Non -Low Income Utility Allowance:	\$ 80	\$ 86	\$119	\$131

F. THE CERTIFICATION PROCESS

1. Certification

- a. Seniors or disabled persons need to recertify every two (2) years, all others are required to re-certify on an annual basis.
- b. Re-certification includes verifying information needed to determine rent payments and other vital information concerning the family's composition and records.
- c. Housing shall notify the resident of the need to re-certify and send the packet with Recertification Forms at least 2 months prior to the due date and set a date/time for the re-certification interview. Failure to provide recertification information will result in rent assessment at ceiling rates.
- d. The resident may be required to submit additional information at re-certification if Housing deems it necessary to complete the family's records or to assist in determining

income and rent. Information which may be required includes but is not limited to social security cards for new family members/occupants, divorce decrees, and receipts for various expenses.

- e. The completed application and any attachments shall be signed by the resident and/or adult members of the household.

2. Interim Re-Examination

- a. The resident must inform the Housing Department within fourteen (14) days of any income or household changes. The resident may voluntarily request a re-examination of income and/or re-certification if he/she feels that circumstances have occurred which would affect the monthly rent. The Housing Department will process these requests on a first-come, first-served basis.
- b. Occupancy Specialist/Management shall reserve the right to deny any interim rent change as seen appropriate for, but not limited to:
 - i. The rent change would be minimal (\$10.00 or less)
 - ii. The tenant has already had two (2) or more interim recertification's during a calendar year.
 - iii. Their Annual Re-certification is up for review within the next two (2) months.

3. Adjustments to Rent

- a. *Decrease* - Decreases in rent are to be effective the first day of the month following the reported income change.
- b. *Increase* - Increases in rent resulting from rent reviews or re-examinations are to be effective the first day of the second month following the income change.
- c. *Notice of changes* - Within Seven (7) days of the completed re-certification process, the resident shall be informed in writing of any changes in the monthly rent charge and the effective date of these changes.
- d. *Adjustments due to errors* - If Housing made an error in calculating a resident's rent which was subsequently discovered by either Housing or resident, a retroactive adjustment shall be made to the effective date of change (improper adjustment). If the error requires additional back payment from the tenant, a payment plan will be put in place. If the error is an overcharge, the tenant's rent will be credited on a monthly basis until the reimbursement is complete. Errors that are caused by the resident may also be made retroactive if the errors were committed willfully, in an effort to receive a reduced rent charge.

4. Special Re-Examinations

If it is impossible to determine a family's actual income due to unstable conditions such as fluctuating or sporadic employment and income, the may set a date for a special re-examination,

at which time the family's economic condition is likely to be more stable. The Housing Department may use alternative methods of calculating annual income in cases where an accurate estimate of income cannot be arrived at or computed.

5. No Income

When the Tenant is Recertified or in the event of an Interim Recertification and has no income, he/she must sign a form verifying this. The Tenant has one (1) month to secure income to base his/her rent on. If the Tenant does not secure any form of income within the one-month period, the Tenant will be in violation of this Lease Agreement, and would not be considered eligible to continue occupancy.

6. Failure to Comply with Certification Process

If the resident fails to return the recertification forms and attend the interview, the Occupancy Specialist will contact the resident by personal visit or phone and allow them to reschedule. If no response is received and the certification cannot be completed, a letter of non-compliance will be sent to the tenant at least 14 days prior to the due date informing them their monthly penalty will be adjusted up to the ceiling amount with no utility allowance. If a participant fails to provide recertification information in a timely manner as required, rent shall be assessed at ceiling until the resident complies with the recertification requirements. If a participant fails to notify housing of household changes, the resident will face action up to and including eviction.

G. COLLECTIONS

1. Purpose and Applicability

The purpose of the Collections Policy is to inform the tenants of established guidelines for collection of rent, housing services, and payment of work orders and other charges. The goal of this policy is to collect the amounts owed to ensure the continuation of adequate housing services, while providing for the safety and well-being of residents and promoting fairness and due process. This policy shall apply to occupants/clients who have a lease agreement with the Housing Department. For purposes of this policy, rental occupants and families receiving services will be referred to as "Residents."

2. Rent/Payments

- a. *Rent Determination* - The amount of required monthly payment will be determined at the initial admission and occupancy as stipulated in the lease agreement. The rent will be established based on the method identified in the Rent Policy or pursuant to program requirements. The monthly amount for rent may be adjusted pursuant to re-examination.
- b. *Paying Rent* - Rent payment is due and payable on the 7th day of each month. Rent is considered late after the 10th of each month and a late fee of \$15.00 will be assessed after the 10th. Payments may be mailed in, but must be received by the due date or shall be considered late. There will be a \$35.00 fee for returned checks.

3. Delinquencies

If no payment is received by the 15th of the month, a reminder letter will be sent. The resident will have until the end of the month to respond to the letter. During this period, the Occupancy

Specialist shall make every effort to contact the delinquent resident by personal visit or phone and document the attempts or contact. If no response is received by the end of the month, the Occupancy Specialist will issue a Notice of Delinquency and allow the resident five (5) days to respond/contact Housing in order to negotiate an extension, payback agreement, or pay the amount owed in full. Counseling may be offered or required as a condition of the Notice of Delinquency. If the resident is delinquent more than three (3) time(s) within a twelve (12) month period, they will be in breach of the lease agreement and shall proceed with a seven-day notice to quit. If the delinquency is not resolved with a Notice to Quit, housing will proceed with an eviction.

4. Inability to Make Full Payment Due to Hardship

If the resident informs Housing and presents evidence of inability to make full payment due to hardship, the Housing Manager will consider an extension and negotiate a settlement. The resident should contact the Housing Department prior to the due date to receive an extension. The extension deadline will become the new due date.

5. Partial Payment

When credible evidence has been presented by the resident that clearly shows an inability to make full payment, Housing will accept partial payment. Residents may only make partial payments three (3) times in a calendar year.

6. Budget Counseling

Housing shall schedule a budget counseling session for the resident at a specified time during the period of account delinquency. Attendance and participation will be required. In addition, the Housing Department will offer budget counseling at any time, if requested by the resident.

7. Payment Agreement

Housing can negotiate a payback agreement with the delinquent resident as an alternative to eviction.

- a. The pay back agreement will be on a short term basis not to exceed twelve (12) months.
- b. It will contain an acknowledgment of the amount owed, the terms of repayment including the date, amount, and place of payments, and a default clause in the event the agreement is breached.
- c. The agreement will be signed by the head of household(s), Occupancy Specialist, and the Housing Manager.
- d. Within thirty (30) days of the payback default, the delinquent tenant may ask for reconsideration of the payback agreement. If the resident has presented credible evidence of hardship which caused the breach of the payback agreement, the Housing Manager will have discretionary authority to reinstate the pay back agreement.
- e. The Resident may enter into a payback/agreement once within a twenty-four (24) month period.
- f. Wage Assignment may be a requirement for payback agreement.

H. LEASE TERMINATION AND EVICTIONS

1. Seven (7) Day Notice to Quit

If the delinquent account is not settled or if extension/payback agreement is breached, Housing shall issue a *Seven (7) Day Notice To Quit* to the resident to be effective in seven (7) calendar days. The tenants shall be informed of the reason for termination, the need to remove personal property from the premises, and their right to request a grievance hearing within a five (5) day period. The *Seven (7) Day Notice To Quit* will demand payment of the debt within the five (5) day period or legal action will be initiated. This notice will be sent by certified mail (return receipt requested), or through a proof of service. If full payment is received prior to the deadline given in the *Seven (7) Day Notice To Quit*, the Housing Department may cease legal proceedings. Housing may require the resident to fulfill other obligations, such as undergoing counseling, wage assignment, payback agreement or a high-risk agreement as a condition of continued occupancy.

2. High Risk Agreement

High Risk may also be used to avoid a pending eviction. A High Risk agreement will be signed by the Housing Manager, Occupancy Specialist, and Head of Household, and may include other adult listed on the lease. The High Risk agreement will be individualized dependent on the lease violations and family needs.

3. Move-Out

If the delinquent resident moves out after *Seven (7) Day Notice To Quit*, yet makes no attempt to settle the outstanding amount, or cure the *Seven (7) Day Notice To Quit*, the unit will be considered abandoned in accordance with policy and refer the case to the legal counsel or appropriate staff for filing in Court for collection. Housing shall make every attempt to collect and continue to do so after issuance of the Court Order for payment.

4. Notice to Terminate Tenancy for Breach of Lease (Infractions) Other Than Rent

When a tenant received three infractions within 3 months with no corrective action taken by the tenant within the infraction deadline a *Seven (7) Day Notice to Quit* may be issued.

5. Grounds for Emergency Ex-Parte Termination Seven (7) Day Notice to Quit

- a. The owner or manager may terminate the tenancy of a resident for any activity, engaged in by the residents, any member of the household of the resident, or any guest or other person under the control of the resident, that—
 - i threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the owner of the housing;
 - ii threatens the health or safety of, or right to peaceful enjoyment of the premises by, persons residing in the immediate vicinity of the premises; OR
 - iii is criminal activity (including drug-related criminal activity) on or off the premises.
- b. Evictions are civil, not criminal matters. To terminate a lease and evict a Tenant, a criminal conviction or arrest is not necessary and the Housing Department need not meet the criminal standard to “proof beyond a reasonable doubt” in eviction

procedures. The burden of proof is upon the defendant. Criminal activity is cause for eviction even in the absence of conviction or arrest.

6. Jurisdiction

In entering a lease agreement, the parties agree and consent to the exclusive jurisdiction of the Keweenaw Bay Indian Tribal Court over all actions to enforce the obligations of the parties arising from and relating to Management/Tenant relationships

7. Court Proceedings

After the expiration of the *Seven (7) Day Notice To Quit* deadline, if the resident fails to file a grievance or settle the delinquent account, the staff or Legal Counsel will file a civil complaint in the appropriate court seeking eviction. The complaint shall contain a copy of the lease agreement, account ledger, letters and other notices sent to the tenant regarding the account. This will include the cost of legal expenses and court costs incurred in the amount owed.

8. Rights

The Tribe shall reserve the right to seek resolution of the case and settlement prior to the court hearing and final ruling.

9. Eviction

If the Court issues an order of eviction, the copy shall be hand-delivered to the resident by law enforcement officials. The order shall specify the date for the resident to be evicted. The Housing shall monitor the unit and arrange for board-up (if needed) on the eviction day.

III. DEFINITIONS

A. DISABLED FAMILY – The term “disabled family” means a family whose head (or his or her spouse), or whose sole member, is a disabled person. The term “person with disabilities” means a person who—

1. Has a disability as defined on section 223 of the Social Security Act;
2. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment which—
 - a. Is expected to be of long-continued and indefinite duration;
 - b. Substantially impedes his or her ability to live independently; AND
 - c. Is of such a nature that such ability could be improved by more suitable housing conditions; OR
3. Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

B. DRUG-RELATED CRIMINAL ACTIVITY-The term “drug-related criminal activity” means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

C. ELDERLY FAMILIES AND NEAR-ELDERLY FAMILIES -The terms “elderly family” and “near-elderly family” mean a family whose head (or his or her spouse), or whose sole member,

is an elderly person or a near-elderly person, respectively. Such terms include two or more elderly persons or near-elderly persons living together, and one or more such persons living with one or more persons determined to be essential to their care or well-being. Such arrangements should be specified in the Indian housing plan.

D. ELDERLY PERSON - The term “elderly person” means a person who is at least 62 years of age.

E. FAMILY - Two or more persons who are related by blood, marriage, or operation of law and who have evidenced a stable family relationship; or a single person who lives alone and intends to live alone and does not qualify as an elderly family, displaced person, or remaining member of a tenant family; or a single person who is elderly or near-elderly, handicapped, disabled, displaced, or the remaining member of a tenant family.

F. FEDERALLY RECOGNIZED TRIBE - The term “federally recognized tribe” means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

G. INCOME - The term “income” means income from all sources, for each member of the household as defined by HUD Sec 8, 24CFR, Part 5, Subpart F, US Census or the IRS Form 1040 Adjusted Gross Income.

H. INDIAN -The term “Indian” means any person who is a member of an Indian tribe.

I. INDIAN FAMILY – A family where any member of the household a member of an Indian Tribe.

J. INDIAN TRIBE - The term “Indian tribe” means a tribe that is a federally recognized tribe or a State recognized tribe.

K.—FAMILY COMPOSITION - family composition is defined as spouse, parents, children, foster/step-children, brothers and sisters, and grandparents, grandchildren, uncles, aunts, nieces, nephews and first degree cousins.

L. LOW-INCOME FAMILY - The term “low-income family” means a family whose income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the findings of HUD that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

M. MEDIAN INCOME - The term “median income” means, with respect to an area that is an Indian area, the greater of-

1. The median income for the Indian area, which HUD shall determine; OR
2. The median income for the United States.

N. NAHASDA - The Native American Housing Assistance and Self-Determination Act of 1996.

O. NEAR-ELDERLY PERSON - The term “near-elderly person” means a person who is at least 55 years of age and less than 62 years of age.

P. PERSON WITH DISABILITIES - The term “person with disabilities” means a person who-

1. Has a disability as defined in section 223 of the Social Security Act;
2. Is determined, pursuant to regulations issued by the HUD Secretary, to have a physical, mental, or emotional impairment which-
 - a. Is expected to be of long-continued and indefinite duration;
 - b. Substantially impedes his or her ability to live independently; AND
 - c. Is of such a nature that such ability could be improved by more suitable housing conditions; OR
3. Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.
4. Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
5. Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for housing assisted under this Act, solely on the basis of any drug or alcohol dependence.

Q. STATE - The term “state” means the states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States and Indian tribe.

R. STATE RECOGNIZED TRIBE – In general, the term “state recognized tribe” means any tribe, band, nation, pueblo, village, or community-

1. That has been recognized as an Indian tribe by any state; AND
2. For which an Indian Housing Authority has, before the effective date under section 705, entered into a contract with the Secretary pursuant to the United States Housing Act of 1937 for housing for Indian families and has received funding pursuant to such contract within the 5-year period ending upon such effective date

Attachment A
Section 8 Definition of Annual Income
24 CFR, Part 5, Subpart F (Section 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 (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);

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; 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, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *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.

(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);

(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. [Federally Mandated Exclusions listed below in **Attachment D**]

Attachment B

U.S. Census Definition of Income

For each person 15 years old and over, the Census counted income from the following sources:

1. Earnings. The Census Bureau classifies earnings from longest job (or self-employment) and other employment earnings into three types:
 - a. Money wage or salary income is the total income people receive for work performed as an employee during the income year. This category includes wages, salary, armed forces pay, commissions, tips, piece-rate payments, and cash bonuses earned, before deductions are made for items such as taxes, bonds, pensions, and union dues.
 - b. Net income from nonfarm self-employment is the net money income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership.
 - c. Net income from farm self-employment is the net money income (gross receipts minus operating expenses) from the operation of a farm by a person on their own account, as an owner, renter, or sharecropper.
2. Unemployment compensation includes payments the respondent received from government unemployment agencies or private companies during periods of unemployment and any strike benefits the respondent received from union funds.
3. Workers' compensation includes payments people receive periodically from public or private insurance companies for injuries received at work.
4. Social security includes social security pensions and survivors' benefits and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance.
5. Supplemental security income includes federal, state, and local welfare agency payments to low-income people who are 65 years old and over or people of any age who are blind or disabled.
6. Public assistance or welfare payments include cash public assistance payments low-income people receive, such as temporary assistance to needy families (TANF), general assistance, and emergency assistance.
7. Veterans' payments include payments disabled members of the armed forces or survivors of deceased veterans receive periodically from the Department of Veterans Affairs for education and on-the-job training, and means-tested assistance to veterans.
8. Survivor benefits include payments people receive from survivors' or widows' pensions, estates, trusts, annuities, or any other types of survivor benefits.
9. Disability benefits include payments people receive as a result of a health problem or disability (other than those from social security).

10. Pension or retirement income includes payments from the following sources: companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; annuities or paid-up insurance policies; individual retirement accounts (IRAs), Keogh, or 401(k) payments; or other retirement income.
11. Interest income includes payments people receive (or have credited to accounts) from bonds, treasury notes, IRAs, certificates of deposit, interest-bearing savings and checking accounts, and all other investments that pay interest.
12. Dividends include income people receive from stock holdings and mutual fund shares.
13. Rents, royalties, and estates and trusts includes net income people receive from the rental of a house, store, or other property, receipts from boarders or lodgers, net royalty income, and periodic payments from estate or trust funds.
14. Educational assistance includes Pell Grants; other government educational assistance; any scholarships or grants; or financial assistance students receive from employers, friends, or relatives not residing in the student's household.
15. Child support includes all periodic payments a parent receives from an absent parent for the support of children, even if these payments are made through a state or local government office.
16. Alimony includes all periodic payments people receive from ex-spouses. Alimony excludes one-time property settlements.
17. Financial assistance from outside of the household includes periodic payments people receive from non-household members. This type of assistance excludes gifts or sporadic assistance.
18. Other income includes all other payments people receive regularly such: state programs such as foster child payments, military family allotments, and income received from foreign government pensions.

The Census Bureau does not count the following receipts as income: (1) capital gains people received (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case the CPS counts the net proceeds as income from self-employment); (2) withdrawals of bank deposits; (3) money borrowed; (4) tax refunds; (5) gifts; and (6) lump-sum payments such as inheritances or insurance payments.

For the prevailing information on the Bureau of the Census, U.S. Department of Commerce, visit their website <http://www.census.gov>.

Attachment C

IRS Form 1040 Adjusted Gross Income

This lists the inclusions and exclusions as they appear on the 2012 IRS Form 1040.

Inclusions

1. Wages, salaries, tips, etc.
2. Taxable interest.
3. Dividends.
4. Taxable refunds, credits or offsets of State and local income taxes. There are some exceptions - refer to Form 1040 instructions.
5. Alimony (or separate maintenance payments) received.
6. Business income (or loss).
7. Capital gain (or loss).
8. Other gains (or losses) (i.e., assets used in a trade or business that were exchanged or sold).
9. Taxable amount of individual retirement account (IRA) distributions. (Includes simplified employee pension [SEP] and savings incentive match plan for employees [SIMPLE] IRA.)
10. Taxable amount of pension and annuity payments.
11. Rental real estate, royalties, partnerships, S corporations, trusts, etc.
12. Farm income (or loss).
13. Unemployment compensation payments.
14. Taxable amount of Social Security benefits.
15. Other income. (Includes: prizes and awards; gambling, lottery or raffle winnings; jury duty fees; Alaska Permanent fund dividends; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit).

Exclusions

1. Educator expenses
2. Certain business expenses of reservists, performing artists, and fee-basis government officials.
3. Health savings account deduction.
4. Moving expenses.
5. Deductible part of self-employment tax.
6. Self-employed SEP, SIMPLE, and qualified plans
7. Self-employed health insurance deduction
8. Penalty on early withdrawal of savings
9. Alimony paid
10. IRA deduction
11. Student loan interest deduction
12. Tuition and fees.
13. Domestic production activities deduction.

Attachment D

Federally Mandated Exclusions from Annual Income

Following is the list of benefits that currently qualify for this income exclusion. The list includes those relevant exclusions that may be applicable to the IHBG program.

1. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b))
2. Payments to Volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f)(1), 5058)
3. Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
4. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
5. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
6. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6)
7. 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)

Please note the recipient may need to examine certain per capita shares to determine whether the proceeds are covered by this provision, such as bingo and gambling proceeds. Although some gaming funds are called "per capita payments", the National Indian Gaming Commission's General Counsel and the Solicitor's office of the Department of the Interior confirmed that the proceeds of gaming operations regulated by the Commission are not funds that are held in trust by the Secretary for the benefit of an Indian tribe, therefore, they do not qualify as per capita payments within the meaning of the Per Capita Distribution Act. Also, if a tribal member receives the Form 1099-Misc, Miscellaneous Income, from the tribe for reporting Indian gaming profits, this payment does not qualify for this provision. These gaming profits are income that must be included as annual income as defined by HUD's Section 8 Program, the Census, and the IRS. Further, the tribal member must report this miscellaneous income on the "other income" line of the Federal Income tax 1040 Form;

8. Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).
9. Payments received from programs funded under title V of the Older Americans Act of 1965 (42 U.S.C. 3056g)
10. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101–201) 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.)
11. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96–420, 25 U.S.C. 1721)
12. 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)
13. 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)
14. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
15. 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(c))
16. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2))
17. Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) 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)
18. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
19. 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. 1437A) by section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110–289). This exclusion will apply when an IHBG recipient adopts the Section 8 definition of annual income

20. 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.), as provided in the Claims Resolution Act of 2010 (Pub. L. 111–291). This exclusion will apply for one year from the time that payment is received.

21. 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) comparable disaster assistance provided by States, local governments, and disaster assistance organizations shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs (42 U.S.C. 5155(d)).