

CHAPTER 6: CONTINUED OCCUPANCY: ANNUAL AND INTERIM REEXAMINATION, COMMUNITY SERVICE

6.1 ANNUAL RECERTIFICATIONS

At least annually, RHE will conduct a recertification of family circumstances for every resident and provide each family the opportunity to make a choice between an income-based rent and a flat rent.

All residents paying an income-based rent must complete a triennial or annual recertification of income based on the MTW Recertification schedule. Residents paying a flat rent must complete an income recertification every three years.

Before a resident's annual or triennial renewal date, RHE will send a notification letter to notify the family of the upcoming recertification process and to give them the option of an income-based rent or a flat rent. All residents will be required to sign a form indicating their request for a flat rent or an income-based rent for the coming year. Additionally, RHE will perform a background check at recertification when a child in a currently assisted household will turn 18 on or before the effective date.

Residents paying a flat rent will be required to provide current information about family composition. They will be informed of the date of their next recertification of income and of the approximate amount and effective date of any anticipated rent increase.

Residents paying an income-based rent and flat-rent residents scheduled for a triennial income review will be asked to provide complete information about all factors related to income and rent. The family will inform RHE of its preference for an income-based rent or a flat rent at the interview.

A family may contact RHE prior to the appointment to request a reasonable accommodation for a disability.

During the recertification process, RHE will determine whether a family's composition may require a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list. Families will be moved to the appropriately sized unit in order of the length of time the family has been in the wrong sized units. For example, the family that has been over/under housing the longest will be the first family selected to move to the most appropriately sized unit. Exceptions may be made for a family requiring a reasonable accommodation.

The maximum number of persons in a household represents the number of persons in a household that will deem the household to be overcrowded. If the household reaches the maximum, the family will be required to move to an appropriately sized unit. Initial occupancy qualification for program admittance or program moves will be based on the minimum occupancy standard.

RHE MTW Activity 1 - Alternative Recertification Schedule For Households

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

Triennial recertifications are conducted for all newly admitted and currently assisted workable and non-workable families. Annual recertifications will remain for families claiming zero income.

Interim recertifications are limited to one interim per calendar year and are processed at the request of the family. If the interim is for a decrease in income, only income decreases of 10% or more are processed. Interim decreases are limited to one during a calendar year and no interim decreases are granted during the first six months after initial occupancy. Required interim recertifications for household composition changes, unit downsizing, and Family Self-Sufficiency will not count against the limit on voluntary interim recertifications. RHE may choose to decline to process the interim if the interim reexamination is within the last three months of recertification.

For all families reporting zero income, a Zero Income Certification/Zero Income Affidavit must be completed and signed along with a Zero Income Questionnaire that shows how the family finances their survival and essential living expenses. Failure and/or refusal to complete a Zero Income Questionnaire will result in non-compliance of the annual recertification process and will result in program termination. Zero income is defined as a household that reports no income or only reports non-earned income that is obtained through third party personal contributions or donations (not including child support received through the court system).

6.1.a. Unit Downsizing

In the event there is more than one household that is over housed, RHE will utilize the following order in determining which household is downsized first.

- (1) Households needing a reasonable accommodation.
- (2) Households that request to be downsized for reasons other than a reasonable accommodation.
- (3) The household that has been over housed for the longest period of time.

**6.1.b. Over Income Families
PIH Notice 2019-11 & 83 F.R. 35490**

At each recertification, families will be assessed to determine if they are over income. Over income is defined as incomes over 120% of the AMI. If RHE discovers through a reexamination or an interim reexamination that a family’s income exceeds the applicable over-income limit, RHE must document that the family exceeds the threshold and make a note in the tenant file to compare it with the family’s income a year later.

If one year after the initial over-income finding by RHE, the family’s income continues to exceed the over-income limit, RHE must provide written notification to the family.

This notification must inform the family that their income has exceeded the over-income limit for one year, and if the family’s income continues to exceed the over-income limit for the next 12 consecutive months, the family will be subject to paying the Fair Market Rent or termination within 6 months of the second income determination. If the initial over-income determination was made during an interim reexamination, RHE must conduct a second interim income reexamination on that date one year later. However, if RHE discovers through an annual or interim reexamination that a previously over-income family has income that is now below the over-income limit, the family is no longer subject to these provisions. A previously over-income family would be entitled to a new two-year grace period if the family’s income once again exceeds the over-income limit.

Any family that is deemed over income because of an interim or annual reexamination that takes place by March 24, 2019, will be subject to the over income limit provisions.

For over income families, RHE will charge as monthly rent equal to the greater of the applicable fair market rental established under for the unit in the same market area of the same size or the amount of the monthly subsidy provided for the dwelling unit, which shall include any amounts from the Operating Fund and Capital Fund used for the unit, as determined by RHE in accordance with regulations that HUD shall issue or terminate the tenancy of such family not later than 6 months after the income determination

On a month-to-month basis, RHE may lease a unit to an over-income family, but only if there are no eligible families applying for housing assistance from RHE for that month and RHE provides at least a 30-day public notice of the availability of such assistance. The rent shall be not less than the costs to operate the unit. If an eligible family applies for residence after an over-income family moves into the last available unit, the over-income family shall vacate the unit in accordance with notice of termination of tenancy provided by RHE, which shall be provided at least 30 days before such termination. If a unit is vacant and there is no one on the waiting list, RHE may allow an over-income family to gain immediate occupancy in the unit, while simultaneously providing reasonable public notice and outreach with regard to the availability of the unit.

6.1.c. Incomplete Recertifications

If the family fails to respond to the recertification letter, fails to complete the recertification, or fails to provide all requested documentation related to the recertification, the family will receive a notice of termination for non-compliance.

6.1.d. Effective Date of Rent Changes for Annual Reexaminations

The new rent will generally be effective upon the anniversary date. A family will be given 30 days’ notice of any rent increase.

If the rent determination is delayed due to a reason beyond the control of the family, a rent

increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction, the reduction will be effective on the anniversary date.

If the family caused a delay in recertification procedures, any increase in rent will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

6.2 INTERIM REEXAMINATIONS

All residents are required to report any change in family composition within 10 calendar days of the change. Failure to report within 10 calendar days may result in eviction for non-compliance with lease requirements or in a retroactive rent increase. Failure to report a change will not result in a retroactive rent reduction. Under the MTW Program, residents are limited to one income related interim change in a 12-month period. Additionally, RHE will perform a background check at an interim recertification when a child in a currently assisted household will turn 18 on or before the new effective date.

6.2.a. Effective Date of Rent Changes Due to Interim or Special Reexaminations

A family may report a decrease in income or an increase in expenses related to allowable deductions. RHE may conduct an interim recertification to reduce a family's rent for any change that will last more than 30 days, within the allowable interim submission limits.

- (1) Verification at Interim Recertifications.** At an interim recertification, the family information that has changed is verified. Per HUD's regulations an EIV will be pulled for each interim transaction.
- (2) Interim recertifications will be processed within 30 days of receiving the completed interim recertification packet**
 - (a)** An interim recertification packet is not considered complete until ALL requested documents have been received. Once ALL requested documents have been received, the 30-day processing time will begin.
 - (b)** If requested documents are not received by the deadline noted in the missing document notification, the interim will be discarded and must be resubmitted with all of the requested documents. The 30-day processing time will begin upon resubmission and acceptance of the completed recertification packet.
- (3) Effective Date of Tenant Rent Portion Changes**
 - (a)** Generally, following an interim recertification and a 30-day written notice to the family of the new rent amount, the tenant rent portion increase will be effective:

- (i) The first day of the following month, if the family submits the completed interim recertification packet on or before the 15th of the month, or
 - (ii) The first day of the second month if the family submits the completed interim recertification packet after the 15th of the month unless it creates a hardship.
- (b) A tenant rent portion decrease will be effective the first day of the month, following the 30-day period after the completed interim recertification packet is received and accepted. For example, if an interim recertification packet is received completed and is accepted on June 15th, the recertification will be effective no later than July 1st. If the completed recertification packet is received and accepted on June 30th, the recertification will be made effective no later than August 1st.

Notice of any change in the tenant rent portion and its effective date will be sent by mail or email to the owner and the family.

6.2.b. Repayment Agreements

At its sole discretion, RHE may offer a repayment agreement to a resident who is unable to pay a balance due RHE by the due date. Repayment agreements must be in writing and signed by RHE and the head of household. Repayment agreements will be offered in accordance with PIH Notice 2018-18. Failure to comply with terms of a repayment agreement is cause for termination of tenancy.

6.2.c. Remaining Family Members and Prior Debt

Remaining adult family members aged 18 years or older will be held responsible for arrearages incurred by the former head or co-head or spouse. RHE will not hold remaining family members (other than the head or co-head or spouse) responsible for any portion of the arrearage incurred before the remaining member attained age 18. Remaining adult family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household.

6.3. COMMUNITY SERVICE REQUIREMENT
24 CFR 960.600-609

6.3.a. Community Service Requirement

RHE will not renew the lease of any family that is not in compliance with the community service requirement or an approved agreement to cure. If they do not voluntarily leave the property, eviction proceedings will begin.

An unemployed adult resident who is not identified as exempt is required to perform eight hours of community service every month.

6.3.b. Exempt Adult

The community service requirement applies to all adults who are not exempt. Exempt adults are family members who:

- (1) Are 62 years of age or older.
- (2) Have a disability that can be verified that prevents him/her from being gainfully employed.
- (3) Is verified to be the fulltime caretaker of a disabled person.
- (4) Is working at least 20 hours a week.
- (5) Attends a training program.
- (6) Qualifies as a full-time student at a secondary school or an institution of higher learning.

6.3.c. Service Requirements

At least eight hours of activity must be performed each month.

RHE will make the determination whether to allow or disallow a deviation from the schedule.

The eight hours per month may be either volunteer work, a self-sufficiency program activity, or a combination of the two. Political activity is excluded. Community service activity must not take the place of work performed by paid employees.

6.3.d. Family Obligations

At lease execution and recertification all adult members of a public housing family must:

- (1) Sign a certification that they have received and read this policy and understand that, if they are not exempt, failure to comply with the community service requirement will result in termination of their lease.
- (2) Certify and provide documentation for each adult family member that he/she is or is not exempt from the community service requirement.
- (3) Submit monthly a completed form documenting activity performed by each non-exempt family member (including for those family members who were non-exempt for a portion of the year).

6.3.e. Change in Exempt Status

If a non-exempt person becomes exempt between annual reviews, it is his/her responsibility to report this to RHE. Similarly, if an exempt person becomes non-exempt, it is his/her responsibility to report this to the RHE. RHE will provide the person with the Recording/Certification documentation form and information on volunteer and training opportunities.

6.3.f. RHE Obligations

To the greatest extent possible, RHE will:

Provide names and contact information for agencies that can provide opportunities for residents to fulfill their community service/self-sufficiency obligations, including a disabled person who is otherwise able to be gainfully employed since such an individual is not exempt from the community service requirement and provide referrals for volunteer work or self-sufficiency programs.

RHE will provide the family with exemption verification forms and Recording/Certification documentation forms and a copy of this ACOP at initial application and at lease execution. RHE will make the final determination as to whether or not a family member is exempt from the community service/self-sufficiency requirement. Residents may use RHE' grievance procedures if they disagree with RHE' determination. RHE will review and verify family compliance with service requirements annually.