

KENDALL HOUSING AUTHORITY
RESOLUTION NO. 2015-15
APPROVAL OF ADMINISTRATIVE PLAN REVISIONS

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KENDALL HOUSING AUTHORITY, as follows:

Section 1: It is in the best interest of the Kendall Housing Authority to take the following action:

Approve the attached revisions dated November 2015 to the Kendall Housing Authority Administrative Plan.

Section 2: This Resolution is effective upon its adoption.

Approved by the Kendall Housing Authority Board of Commissioners on this 20h day of November, 2015.


Matthew Prochaska
Chairman


Tom Grant
Secretary/Treasurer

Ayes: 4

Nays: 0

Abstain: 0



Suspensions of Voucher Term [24 CFR 982.303(c)]

At its discretion, a ~~KHA-PHA~~ may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RFTA) during the voucher term. "Suspension" means stopping the clock on a family's voucher term from the time a family submits the RFTA until the time the Kendall Housing Authority approves or denies the request [24 CFR 982.4]. The KHA's determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

KHA Policy

When a Request for Tenancy Approval and proposed lease is received by the KHA, the term of the voucher will ~~not~~ be suspended while the KHA processes the request.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the KHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

KHA Policy

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RFTA), the KHA will require the family to reapply for assistance. If an RFTA that was submitted prior to the expiration date of the voucher is subsequently disapproved by the KHA (after the voucher term has expired), the family will be required to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, the KHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

6-II.B. DEPENDENT DEDUCTION

A deduction of \$480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

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

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

KHA Policy

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

The KHA will not include any over-the-counter drugs (other than insulin), nutritional supplements, health club dues, weight loss programs, or personal use items.

In addition, for individuals with disabilities who reside in Shared Housing settings, medical expenses will include the amount of unearned income (SSI, SSA Disability payments) which is considered as the income to the service provider who oversees the case management services needed by the individual to maintain their ability to function in the least restrictive setting which is neither a nursing home nor long term care facility. Housing may be referred to as a Community Integrated Living Arrangement.

Summary of Allowable Medical Expenses from IRS Publication 502

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

Families That Qualify for Both Medical and Disability Assistance Expenses

KHA Policy

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

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

KHA Subsidy [24 CFR 982.505(b)]

The KHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b)]

When the KHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the Kendall Housing Authority to pay the reimbursement to the family or directly to the utility provider.

KHA Policy

The Kendall Housing Authority will make utility reimbursements to the family.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

If the KHA establishes a minimum rent greater than zero, the KHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the KHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

KHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

KHA Policy

For a family to qualify under this provision, ~~the cause of the potential eviction must be the family's inability to pay rent to the owner or tenant paid utilities.~~ the family must be in the process of eviction due to their inability to pay rent or utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

KHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the KHA on a case-by-case basis that cause a hardship in paying the minimum rent.

Implementation of Hardship Exemption

Determination of Hardship

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

The KHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

KHA Policy

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

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

Example: Impact of Minimum Rent Exemption	
Family Share – No Hardship	Family Share – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$50 Minimum rent	\$50 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

KHA Policy

The KHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The KHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

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

The KHA requires documentation that the family actually paid a non-resident family member or other child care provider for child care services. ~~Actual receipts, copies-~~ Copies of checks, money orders or other documents are required.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

KHA Policy

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

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

KHA Policy

The KHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 7 days of the unit ready date which is the date that KHA is able to verify that the unit is ready for the inspection.

Inspection Results and Re-inspections

KHA Policy

If any HQS violations are identified, the owner will be forwarded written notification of the deficiencies and be given a time frame to correct them (no less than 20 days unless it is a life-threatening violation, not to exceed 30 days unless an extension has been granted). If requested by the owner, the time frame for correcting the deficiencies may be extended by the KHA for good cause. The KHA may re-inspect the unit or approve documentation of completed repairs in lieu of in-person physical re-inspection.

If the time period for correcting the deficiencies (or any KHA-approved extension) has elapsed, or the unit fails HQS at the time of the re-inspection, the KHA will forward the owner and the family written notification that the unit has failed inspection and advise the family to search for another unit. The KHA may agree to conduct a second re-inspection, for good cause, at the written request from the family or owner, or through a request confirmed by the inspector.

After the third inspection of a potential unit, the RFTA will be cancelled. If the voucher has more time, KHA will issue a new RFTA to the family.

As it is the family's responsibility to secure housing before the expiration of their voucher, KHA recommends that families continually assess their need to begin to seek other housing options if the unit they have chosen continues to fail the HQS inspection.

Re-inspection Policies and Procedures

KHA Policy

It is very important to complete scheduled inspections in a timely manner which complies with the HUD rules and regulations. When one of the following conditions occurs, ~~it is the policy of the Kendall Housing Authority to charge a \$15 re-inspection fee to the HCV tenant;~~ the Kendall Housing Authority may implement a reinspection policy that will require a \$15 fee to the HCV tenant:

- 1) Failure of the HCV tenant to have an adult present at the unit to allow for entry into the units when either an Annual Inspection or Special Inspection has been scheduled.
- 2) Failure of the adult present at the unit to allow entry into the unit when either an Annual Inspection or Special Inspection has been scheduled.

The re-inspection fee must:

- 1) Be PAID IN FULL before the next inspection is scheduled.
- 2) Be paid by either a Money Order or Cashier's check. CASH PAYMENT IS NOT ACCEPTED.
- 3) The KHA Inspector may not accept any re-inspections fee payment from any HCV tenant. Payments may be mailed to KHA or brought to the administrative offices during regular business hours.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

KHA Policy

All utilities must be on at the time of initial inspection.

Appliances

KHA Policy

If the family is responsible for supplying the stove and/or refrigerator, the KHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the KHA. The KHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working.

The KHA will complete a maximum of 3 inspections to determine unit suitability and HQS compliance prior to HAP contract termination. A fourth inspection may only be scheduled in 2 circumstances: 1) by the hearing officer as a condition of reinstating the HCV subsidy on behalf of the tenant, or 2) by the KHA Executive Director, or the HCV Program Manager as a condition of reinstating the Housing Assistance Payment (HAP) for the landlord.

Once the unit passes re-inspection payment will resume effective on the day the unit passes inspection.

During any abatement period the tenant/family continues to be responsible for its share of the rent. The owner must not seek payment from the tenant/family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. The KHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

KHA Policy

The maximum length of time that a HAP contract may be abated is 90 days. However, if the owner completes corrections and notifies the Kendall Housing Authority before the termination date of the HAP contract, the KHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

The KHA will forward notification of HAP contract termination to the landlord and tenant at least 60 days prior to the termination (including any approved extension).

In the event that repairs are completed and unit is in a "Pass" status prior to new RFTA packet being completely processed, the tenant will have to honor the terms of the existing lease. The tenant will not be allowed to vacate unit without a new RFT A packet being completely finalized and the new unit must pass initial inspection.

Should the tenant choose to port to another Public Housing Authority, the portability packet must be completely processed and received by the new PHA prior to current unit returning to a "Pass" status and the tenant must have vacated unit with notice.

Should the tenant choose to remain in the unit after the contract termination date, the tenant will be responsible for the full contract rent.

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]

The payment standard sets the maximum subsidy payment a family can receive from the KHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The public housing authority must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the PHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size. ~~The Kendall Housing Authority has requested and received an exception payment standards from HUD for payment standards of over 110% but under 120% of the FMR.~~

Updating Payment Standards

When HUD updates its FMRs, the public housing authority must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

KHA Policy

The KHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the "basic range" or requesting and receiving an exception payment standard from HUD, the KHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

- **Funding Availability:** The KHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The KHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.
- **Rent Burden of Participating Families:** Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the KHA will consider increasing the payment standard. In evaluating rent burdens, the KHA will not include families renting a larger unit than their family unit size.