Admission and Continued Occupancy Policy

ACOP

STATEMENT OF POLICIES GOVERNING ADMISSION TO AND CONTINUED OCCUPANCY OF THE PUBLIC HOUSING DEVELOPMENTS OPERATED BY THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY (SWHA).

Adopted June 2023

Revised February 12, 2026

PROPOSED CHANGES – 10.30.26

Please note: This is a Draft of proposed changes only. Its contents are subject to change resulting from ongoing staff review.

SECTION 1:DEFINITION OF TERMS

Revised 02/12/2026

Adjusted Annual Income: Total Household Annual Income less the sum of total eligible deductions for unreimbursed medical expenses, handicapped assistance expenses and/or childcare expenses (as defined) which the household is determined eligible to receive during the recertification process and determination of tenant rent. (See Section 9 and Exhibit C for additional information.)

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

Allowances: Amounts deducted from the household's gross annual income in determining adjusted annual income (the income amount used in the rent calculation). As established under SWHA's EASY Rent and WIN Rent programs, allowances for medical expenses, handicapped assistance expenses and child care expenses for children under 13 years of age, as outlined in this ACOP. ~~Amounts deducted from the household's gross annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances may be given for elderly families, dependents, medical expenses for elderly families, disability expenses, and childcare expenses for children under 13 years of age as outlined in this ACOP.~~

Alternative non-public housing rent: The monthly rent charged to a Non-public housing over-income household. The rent is equal to the greater of:

1. The applicable fair market rent, as defined in 24 CFR part 888, subpart A, for the unit; or

2. The amount of the monthly subsidy provided for the unit, which will be determined by adding the per-unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.
    a. For the Public Housing Capital Fund, the amount of Capital Funds provided to the unit will be calculated as the per unit Capital Fund assistance provided to a PHA for the development in which the family resides for the most recent funding year for which Capital Funds have been allocated;
    b. For the Public Housing Operating Fund, the amount of Operating Funds provided to the unit will be calculated as the per unit amount provided to the public housing project where the unit is located for the most recent funding year for which a final funding obligation determination has been made;
    c. HUD will publish such funding amounts no later than December 31 each year.

Annual Income: All amounts, not specifically excluded in Exhibit B of this policy, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on

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behalf of each dependent who is under 18 years of age. (See Exhibit A and Exhibit B for additional information).

Applicant (applicant family): A person or family that has applied for admission to a program but is not yet a participant in the program.

Authority: The Housing Authority of the City of Sedro-Woolley, Washington, a public corporation.

Certification: The examination of a household's income, expenses, and family composition to determine the family's eligibility for program participation and to calculate the family's share of rent.

Child Care Deduction: The amount allowed under SWHA's WIN Rent program as a reduction from Annual Income when child care expenses (as defined) are incurred by a participating household. Households with income in excess of $75,000 and above are not eligible for this deduction. **A child care deduction is only provided when SWHA determines no other adult in the household is available** to provide care **AND** the amount paid (1) is not reimbursed by another party or source; (2) is reasonable in relation to the time and hours worked; (3) is not paid to a family member; (4) does not exceed the income received as a result of the provision of the care. A Child Care Deduction **may not be** granted to a household operating an in-home childcare facility in order to provide for the care of the household's own children. The actual amount of the deduction provided is established by SWHA according to the following expense bands:

Eligible Child Care Expenses Incurred	$ Amount of Deduction
Below $2,500	$0
$2,500 - $4,999	$2,500
$5,000 – $7,499	$5,000
$7,500 - $9,999	$7,500
$10,000 or more	$10,000

See Section 9 and Exhibit C for additional information.

Child Care Expense:

The "out-of pocket" amount paid for (1) the care of children in the household under 13 years of age **and/or** (2) attendant care and auxiliary apparatus for a Handicapped or Disabled Family member. Under the WIN Rent program, child care expenses must: (1) be necessary to enable a member of the household to be gainfully employed or further his/her education; (2) not be reimbursed by another party or source; (3) be reasonable in relation to the time and hours worked; (4) not be paid to a family member; (5) not exceed the income received as a result of the provision of the care. Households with income of

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$75,000 and above are not eligible for this deduction. (See Section 9 and Exhibit C additional information.)

~~The "out-of-pocket" amount paid for (1) the care of children in the household under 13 years of age **and/or** (2) attendant care and auxiliary apparatus for a Handicapped or Disabled Family member. Child care expenses must: (1) be necessary to enable a member of the household to be gainfully employed or further his/her education; (2) not be reimbursed by another party or source; (3) be reasonable in relation to the time and hours worked; (4) not be paid to a family member; (5) not exceed the income received as a result of the provision of the care.~~

Citizen: A citizen or national of the United States.

Community Service: The performance of voluntary work or duties that are a public benefit and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.

Consent Form: Any consent form approved by HUD and/or the Housing Authority to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

Co-Tenant: An adult member of the Family household who is neither head nor spouse, but who enters the lease jointly with the Head of Household. A Co-Tenant has the same standing in the lease as would a spouse.

Day Laborer: An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day worker is **not** considered non-recurring income.

Dependent: A member of the Family household (excluding foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a person with a disability, or is a Full-time Student 18 years of age or older. An unborn child will not be counted as a Dependent. An unborn child shall not be counted as a Dependent except when determining initial program eligibility of a single pregnant woman **without** other children in the household.

Dilapidated Housing Unit: For selection preference purposes, a housing unit is considered dilapidated if it does not provide safe and adequate shelter, in its present condition endangers the health, safety or well-being of a family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair from serious damage to the structure.

Disabled Family: A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

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Displaced Family: For eligibility purposes, a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Displaced Person: For eligibility purposes, a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

Drug-Related Criminal Activity: The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug. (As defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

Dwelling Lease: A rental agreement between the Housing Authority and the tenant in the form shown in Exhibit J of this policy. The Dwelling Lease (or a Rider to the Dwelling Lease) will, among other things, reflect the rent currently being charged and the conditions governing occupancy.

Earned income: Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

EASY Rent Program: The rent calculation method applied by SWHA to Easy Rent households (see definition). Under Easy Rent program rules, rent is calculated based upon 30.7% of an eligible household's adjusted gross income. Minimum rent paid by eligible families is $0 per month, in accordance with the policies outlined in this ACOP. Households under the EASY Rent program undergo a **full recertification** of income and program eligibility just once every three (3) years. During intervening years, rent will be adjusted to account for changes in the applicable Energy Assistance Supplements and/or Social Security Cost-of-Living adjustments received in the prior year. Unit inspections will still be performed in accordance with the HA's established schedule. (See Section 9 and Section 10 for additional information.)

EASY Rent Household: A resident or family living in SWHA's Hillsview development or a family in which (1) All adults in the household (excluding live-in attendants) are Elderly or Disabled (as defined); ***and*** (2) have no source of income, ***or***, at least 90% of total household income is derived from any combination of the following fixed income sources: Social Security, SSI, Government Pension, Public or Private Pensions and/or GAU, Disability Lifeline or similar DSHS general assistance grants. An EASY Rent Household includes a household in which a dependent minor has turned eighteen (18) years of age in between the established (3 year) recertification period. Easy Rent Households may also be referred to as a "fixed income" household in this ACOP as their income is typically from a fixed source such as Social Security or SSI.

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Imputed Asset Income: For households with assets of more than $50,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

Imputed Welfare Income: The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

~~**Income-based Formula Method:** A rent calculation formula used in determining the monthly rental payment due under the lease. Under this method, the Tenant Rent is calculated based on total household income and allowances at an amount not to exceed the Total Tenant Payment, less any applicable utility allowance for tenant paid utilities. (See Sections 8 and 9 for additional information)~~

~~**Income-based Formula Rent:** The Tenant Rent payable for residents who choose to have their monthly rent calculated using the Income-based Formula method. The Income-based Formula Rent is equal to the calculated Total Tenant Payment (TTP) for the household, less the SWHA-provided allowance for utilities, where the payment of such utilities are the responsibility of the Tenant. If the utility allowance exceeds TTP, as determined in this policy, the excess amount would be paid to the Tenant as a Utility Reimbursement.~~
~~**Income Limits:** A schedule of incomes that do not exceed a percent of the median income for the area (AMI) as determined by HUD with adjustments for smaller or larger Families, except that HUD may establish income limits higher or lower on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs, unusually high or low incomes, or other factors. (See Exhibit E.)~~

Independent Contractor: An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are subject to self-employment tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. Income earned as an independent contractor is **not** considered non-recurring income.

Interim Recertification: A reexamination of a family income, expenses, and household composition conducted between ~~the~~ regular ~~annual~~ recertifications when a change in a household's circumstances warrants such a reexamination. (See Section 10 for additional information)

King County Housing Authority (KCHA): An independent public agency established to provide affordable housing opportunities to low-income residents across King County. As a designated Moving to Work agency, KCHA serves as the Regional MTW Agency to SWHA under a HUD-approved Regionalization Agreement that extends MTW flexibilities to SWHA – authorizing use of program waivers designed to simplify and streamline program operations.

Live-in Aide: A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

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1. is determined by the Housing Authority to be essential to the care and well-being of the person(s);
2. is not obligated for the support of the person(s); and
3. would not be living in the unit except to provide necessary supportive services.

A relative meeting the above three criteria would not be prohibited from serving as a Live-in Aide.

With the consent of the Housing Authority, a live-in aide meeting the above criteria may be permitted to reside in the dwelling unit. In addition to screening the live-in aide for the normal suitability criteria, permission may depend on whether the addition of a new occupant would require a transfer of the family to another unit, and whether another appropriate unit is available.

A live-in aide is not a party to the lease, has no continued occupancy rights, and their income is not considered in computing family income or family deduction.

Local Preference: A preference adopted by the Housing Authority to select among applicant families. Housing Authority approved local preferences and the limits on their use are outlined under Section 6 of this Policy.

Low Income Family: A Family whose Annual Income does not exceed 80% of the median low income limit for the area, as determined by HUD with adjustment for smaller and larger families.

Medical Expense Deduction: The amount allowed under SWHA's EASY Rent program as a reduction from Annual Income when medical expenses (as defined) are incurred by a participating household. Households with income of $75,000 and above are not eligible for this deduction. The actual amount of the deduction provided is established by SWHA according to the following expense bands:

Eligible Medical Expenses Incurred	$ Amount of Deduction
Below $2,500	$0
$2,500 - $4,999	$2,500
$5,000 – $7,499	$5,000
$7,500 - $9,999	$7,500
$10,000 or more	$10,000

Under SWHA's Hardship Policy, a WIN Rent Household may qualify for a Medical Deduction only when it can be demonstrated that the household's childcare and medical costs and calculated Total Tenant Payment (TTP, which equals Rent + Energy Assistance Supplement) results in the household facing an "extraordinary cost of living". (See Section 9 and Exhibit C for additional information.)

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~~The amount allowed as a reduction from Annual Income when medical expenses (as defined) are incurred by a participating household~~.

Medical Expenses: The "out-of-pocket" amount paid by a household for (1) the medical care of elderly and disabled household members **and/or** (2) attendant care or auxiliary apparatus for a Handicapped or Disabled Family member that are necessary to enable a Family member to be employed or further his/her education. As defined in this ACOP, the total attendant and auxiliary costs (handicapped assistance expenses) included under this category must (1) be reasonable in relation to the time and hours worked; (2) not be paid to a family member; (3) not exceed the income received as a result of the provision of the care. **Claimed expenses may not be dually included in the calculation of Child Care Expenses in order to determine a household's adjusted annual income**. (See Section 9 and Exhibit C for additional information.)

Member of the Armed Forces: A person in the active Military or Naval Service of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.

For the purpose of determining Annual Income, a Member of the Armed Forces may be the Head of Household, Spouse, or other Family member whose dependents are residing in the unit.

Minimum Rent: The minimum monthly ~~Total~~ Tenant payment amount calculated by the Housing Authority as rent by an EASY Rent or WIN Rent household .

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

Mixed Finance Development: A housing development for which the Housing Authority has entered into an agreement that uses a combination of public and/or private funding sources for the development of public housing units. Such a development may be managed by an entity other than SWHA, include both public and locally funded units, and/or use two or more rent and/or operating subsidies to support on-site rental opportunities.

Mixed Population Development: Any development assisted under the US Act of 1937 (other than under Section 8 or Section 17 of the Act), including any building within a mixed-use project that was designated for occupancy by the elderly or disabled at its inception or, although not so designated, for which the PHA gives preference in a tenant selection (with HUD approval) for all units in the project (or for a building within a mixed-use project) to elderly or disabled families.

Monthly Adjusted Income: One-twelfth of Adjusted Income.

Moving To Work (MTW): A demonstration program established by HUD that allows Public Housing Authorities (PHAs) to design and test ways to (1) promote self-sufficiency among assisted families; (2) achieve program efficiency and reduce costs; and, (3) increase housing choice for low-income households. SWHA entered into a Moving to Work (MTW) Regionalization partnership with KCHA in 2025.

Monthly Income: One-twelfth of Annual Income.

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c. could be improved by more suitable housing, or

3. Has a developmental disability as defined below in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 which is a severe, chronic disability that:
    a. Is attributable to a mental or physical impairment or a combination; and
    b. Is manifested before the person attains the age of 22; and
    c. Is likely to continue indefinitely; and
    d. Results in substantial limitations in three or more major life activities, and
        i. Self-care
        ii. Receptive and expressive language
        iii. Learning
        iv. Mobility
        v. Self-direction
        vi. Capacity for independent living;
        vii. Economic self-sufficiency
    e. Reflects need for:
        i. A combination and sequence of special, interdisciplinary, or generic services; or
        ii. Individualized supports; or
        iii. Other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated."

This definition of a person with disabilities does not exclude persons who have acquired immunodeficiency syndrome (AIDS) or any condition arising from the etiologic agent for acquired immunodeficiency syndrome.

For purposes of qualifying for low-income housing, it does not include a person where disability is based solely on any drug or alcohol dependence.

Preponderance of the Evidence: Evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Principle Income Recipient: That member of the Family who has the greatest amount of income. In the case of two members of the Family with the same amount of income the Principle Income Recipient will be the member of the Family who has the most responsibility, in the following order: Head of Household, Spouse, adult dependents, children in order of age.

Reasonable Accommodation: A change in Housing Authority policy, procedure or unit structure that allows a disabled individual with an opportunity to access, use and occupy the Public Housing premises in a manner equal to that of a non-disabled individual.

Recertification: The re-examination of a household's income, expenses, and family composition to determine the family's continued eligibility for program participation and to calculate the family's share of rent. As described elsewhere in this ACOP, recertification is completed at least once every three (3) years for **Fixed Income-EASY Rent** households (see definition) and biennially (every 2 years) for **WIN Rent households** (see definition) or when necessary to meet obligations of layered funding resources such as the Low Income Housing Tax Credit (LIHTC) program.~~The re-examination of a household's income,~~

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~~expenses, and family composition to determine the family's continued eligibility for program participation and to calculate the family's share of rent as described elsewhere in this ACOP,~~

Remaining Member of Tenant Family: A member of the Family listed on the Lease who continues to live in the dwelling unit after all of the Family Members have left. If the person is named on the lease but did not sign it, it will be the sole determination of the Housing Authority whether to enter into a new lease with that person. Among other factors, the person's suitability for tenancy and their ability to uphold a lease will be considered.

In accordance with the Authority's Occupancy Standard, the remaining member may be required to transfer to an appropriate sized dwelling unit or type of project.

Rent: For selection preference purposes, rent is defined as:

1. The actual amount due, calculated on a monthly basis, under a lease or occupancy agreement between a family and the family's current landlord; and
2. In the case of utilities purchased directly by tenants from utility providers:
    a. The utility allowance (if any) determined for the Section 8 Voucher Program; or
    b. If the family chooses, the average monthly payments that it actually made for its utilities for the most recent 12-month period, or if that information is not obtainable, for the entire period of an appropriate recent period (such period may be no less than 6 consecutive months).

Seasonal Worker: An individual who is: (1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and (2) the employment begins about the same time each year (i.e. summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Income earned as a seasonal worker is **not** considered nonrecurring income.

Extraordinary Shelter Burden: Used in conjunction with SWHA's EASY and WIN rent calculations, the combination of the household's Tenant Rent, Utility Allowance and eligible medical, handicapped assistance and/or childcare expenses paid out of pocket and not reimbursed from any source. (See Sections 9 and 10 and Exhibit C for additional information). Shelter Burden **does not** include amounts due as a result of (1) over-occupancy fees assessed to residents who remain in an under-occupied unit; or (2) for Housing Voucher participants, selection of a unit that rents for an amount above the assigned payment standard.

Single Person: A person who lives alone or intends to live alone, and who does not qualify as an elderly or displaced person, a person with disabilities, or, (for continued occupancy) as the remaining member of a tenant family.[4] For the purposes of determining initial program eligibility, a single pregnant woman **without** other children or an individual in the process of securing legal custody of a dependent **is not** considered a Single-Person.

[4] [4]Current applicants as of February 12, 2026 who qualify as a "Single Person" will be grandfathered under this policy, may remain on the waiting list and offered housing in accordance with Tenant Selection policies (Section 6).

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Site-based Waiting List: One of the waiting lists used to fill vacant units. Applicants on this type of waiting list have indicated a desire or need to move to a specific public housing development.

Social Security Number: The number that is assigned to a person by the Social Security Administration of the Department of Health and Human Services, and that identifies the record of the person's earnings that are reported to the Administration.

Spouse: The husband or wife of the Head of Household.

Standard Replacement Housing: For selection preference purposes, standard replacement housing is housing

1. That is decent, safe, and sanitary;
2. That is adequate for the family size (according to the Authority's occupancy standards); and
3. That the family is occupying pursuant to a lease or occupancy agreement.

Such housing does not include transient facilities (such as motels, hotels or temporary shelters for victims of domestic violence or homeless families not the housing unit in which the applicant and the applicant's spouse or other member of the household who engages in such violence lives).

Tenant: Any lessee or the remaining head of the household or any tenant family residing in housing accommodations covered by Title 24 of the Code of Federal Regulations, part 966. (24 CFR Part 966).

Tenant Rent: The amount payable monthly by the Tenant as rent to the Housing Authority. This definition does not limit SWHA's ability to accept payment of rent or other charges due under the lease from a 3rd party agency or individual on behalf of the Tenant to expedite payment receipt and/or processing and ensure client stability. According to this policy, Tenant Rent is determined by the Rent program (Easy or WIN Rent) for which the family qualifies. (See Section 9 for additional information.) .

~~Tenant Rent is determined as detailed in this policy. See Section 9 for additional information.)~~

Total Tenant Payment (TTP):

For tenants paying an Income-based Rent, the amount of the maximum monthly obligation by the Tenant for payment of rent and utilities as calculated according to this Policy (see Section 9 for additional information).

The TTP does not include charges for excess utility consumption or other miscellaneous charges. The TTP, less the established Utility Allowance (or Energy Assistance Supplement), is the monthly Tenant Rent payable by a household subject to any minimum payment amounts established by HUD or the Housing Authority,.

~~For tenants paying an Income-based Rent, the amount of the maximum monthly obligation by the Tenant for payment of rent and utilities as calculated according to this Policy (see Section 9 for additional information).~~

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~~The TTP does not include charges for excess utility consumption or other miscellaneous charges. The TTP, less the established Utility Allowance (or Energy Assistance Supplement), is the monthly Tenant Rent payable by a household subject to any minimum payment amounts established by HUD or the Housing Authority,.~~

USCIS: The United States Citizenship and Immigration Service *(Formerly referred to as the Immigration and Nationality Service (INS)).*

Unearned income. Income, that is not categorized under the definition of **earned income** as detailed in this policy.

Utilities: Utilities means electricity, gas, other heating, refrigeration and cooking fuels. Telephone service is not included as a utility.

Utility Allowance: Also known as an Energy Assistance Supplement (or EAS). Where payment of utilities are the responsibility of the Family occupying the unit, an amount equal to the estimate made by the Housing Authority of the monthly cost of a reasonable consumption of such utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

If the Utility Allowance (Energy Assistance Supplement) exceeds the Family's Total Tenant Payment (TTP), the excess amount will not be paid to the Family as a utility reimbursement.

A utility allowance is not provided to a Non-public housing over-income family.

Utility Reimbursement: The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the Family occupying the unit. See also: Energy Assistance Reimbursement.

Very Low-Income Family: A Low-Income Family whose Annual income does not exceed the Very Low-Income Limit, which is 50% of the median income for the area (AMI), as determined by HUD, with adjustments for smaller and larger families.

Violent Criminal Activity: Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Welfare Assistance: Welfare or other payments to families or individuals, based on need, that are made under programs funded separately or jointly, by federal, state or local governments.

Welfare Benefit Reduction: A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program, or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

"Welfare reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

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1. At the expiration of a lifetime or other time limit on the payment of welfare benefits;
2. Because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or
3. Because a family member has not complied with other welfare agency requirements.

WIN Rent: The rent calculation method applied by SWHA to WIN Rent Households (see definition). Under WIN Rent program rules, rent is calculated based upon established Income Bands. (see Exhibit D) Minimum rent paid by eligible families is $25 per month, in accordance with the policies outlined in this ACOP. Households under the WIN Rent program undergo a **full recertification** of income and program eligibility once every two (2) years. (See Section 9 and Section 10 for additional information.)

WIN Rent Household: A household who does not qualify as an EASY Rent Household. Typically, WIN Rent Households include at least one adult family member (over age 18) who is currently working or considered "work-able.

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2. A household's monthly Tenant Rent is equal to the calculated TTP, less the assigned Energy Assistance Supplement established by the Housing Authority for the assigned unit – subject to any Minimum Rent (as defined – See B.3 below).

3. Minimum Rent: A minimum monthly rent of $0 is established for all EASY Rent households. When the Tenant Rent for a household is less than the Minimum Rent, the Tenant Rent will be adjusted to the Minimum Rent of $0.

   a. A family may be eligible to apply for temporary relief from the $0 minimum rent under the established Hardship Policy (see below).

4. Hardship Review: A family may request and be determined eligible for relief from the calculated Tenant Rent when documentation shows the family meets the criteria outlined under SWHA's established Hardship policy. (See Section 9.E below).

5. Recertification and Cost of Living Adjustment (COLA): Unless otherwise specified in Section 10 of this ACOP, EASY Rent Households will be required to undergo a recertification at least once every three (3) years.
   a. In intervening years, income and rent will be automatically adjusted to reflect (COLA) increases applied to Social Security and SSI income received by the household.
   b. To the extent necessary to meet mixed finance agreements entered into for certain public housing developments, residents will remain subject to existing annual certification requirements applicable to overlaying programs, such as those of the Low Income Housing Tax Credit (LIHTC) program. However, these certifications will be conducted to determine the resident's continued eligibility for program participation only. Actual tenant rent will be calculated according to the criteria established herein. (See Section 10 of this ACOP for additional information.)

C WIN RENT PROGRAM POLICIES

A household who does not qualify as an EASY Rent Household will be placed under SWHA's WIN Rent program. Typically, WIN Rent Households include at least one adult family member (over age 18) who is currently working or considered "work-able". The WIN Rent program provides residents who are employed or able to work the opportunity to increase income without an immediate impact on the monthly rent paid by the household.

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1. A household's Total Tenant Payment (TTP) is calculated to "Income Bands" established by SWHA and listed in EXHIBIT D. The TTP for each WIN Rent household is equal to the Gross Rent Amount associated with the Income Band within which the household's Adjusted Gross Income falls.
    a. WIN Rent Households with out-of-pocket child care expenses (as defined) totaling $2,500 or more may be eligible to receive a Childcare Deduction. (See Section 1 and Exhibit C for additional information.)
    b. WIN Rent Households are not eligible for a Medical Deduction unless one is granted following the family's request for a Hardship Review as a result of documented extraordinary cost of living expenses. (See Section 9.D below for additional information.)

2. A household's monthly Tenant Rent is equal to the calculated TTP, less the assigned Energy Assistance Supplement established by the Housing Authority for the assigned unit – subject to application of any Minimum Rent (as defined – See C.3 below).

3. Minimum Rent: A minimum monthly rent of $250 is established for all WIN Rent households. When the Tenant Rent for a household is less than the Minimum Rent the Tenant Rent will be adjusted to the Minimum Rent of $250.
    a. A family may be eligible to apply for temporary relief from the minimum rent under the established Hardship Policy (see below).

4. Hardship Review: A family may request relief from the Tenant Rent when documentation shows the family meets the criteria outlined under SWHA's established Hardship policy. (See Section 9.D below).

5. Recertifications and Cost of Living Adjustment (COLA): Unless otherwise specified in Section 10 of this ACOP, WIN Rent Households will be required to undergo a recertification once every two (2) years.
    a. Rent will not be adjusted to reflect (COLA) increases in the intervening years.
    b. To the extent necessary to meet mixed finance agreements entered into for certain public housing developments, residents will remain subject to existing annual certification requirements applicable to overlaying programs, such as those of the Low Income Housing Tax Credit (LIHTC) program. However, these certifications will be conducted to determine the residents continued eligibility for program participation only. Actual tenant rent will be calculated according to the criteria established herein. (See Section 10 of this ACOP for additional information.)

D Implementation of Changes to TTP Calculation

When the HA revises its method of calculating TTP, the new calculation method will be applied consistent with Board approval and as administratively feasible. Prior to implementation the HA will provide clear written documentation outlining the timeline related to changes in its TTP calculation.

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E HARDSHIP POLICY

1. SWHA ~~has established a~~ **Hardship Policy** ~~that~~ allows households who are shelter burdened (see definition, Section 1) to apply for an adjustment of their calculated tenant rent. The policy is designed to allow SWHA flexibility to provide limited relief to address unique, unforeseeable circumstances that may occur and are not otherwise addressed through SWHA's ordinary rent calculation, deduction and interim review provisions. ~~to protect families in crisis.~~

2. A **Hardship Committee** will be responsible for reviewing all eligible Hardship Requests. The Committee shall be comprised of at least three staff, ~~including representatives of SWHA or KCHA~~ -who have experience in policy ~~development~~compliance, resident services or property management.
   a) Once ~~a~~an **eligible** hardship review request has been submitted, the Committee will examine each family's circumstances on a case-by-case basis.
   b) Requests submitted with incomplete information will be returned without Committee action.

3. To be **eligible for review** by the Hardship Committee ~~hardship relief, shelter burdened~~ households must demonstrate that, absent hardship relief,:
   a) They are experiencing Extraordinary Shelter Burden (see definition, Section 1) and
   b) The requested relief cannot be achieved through other remedies available through SWHA's standard rent policies (such as an available interim review or deduction of allowable expenses
   ~~their loss (or continued lack) of income is not the fault of the family (i.e. was not caused by the action or inaction of a household member) **and** the family has applied for all benefits for which they may be eligible.~~

~~a) Residents who have been denied assistance (TANF, etc.) due to non-compliance with program requirements would not be considered to have a hardship.~~
~~b) Residents with exempt income (income that has not been included in the most recent rent calculation) will not be eligible for a hardship relief if the inclusion of such income would have resulted in a shelter burden below the established 50% threshold.~~
~~c) No hardship will be granted if SWHA determines the family could (but is not) accessing an available alternate sources of income.~~

4. To be **eligible for hardship relief** households must also meet the following criteria:

   a) The family's loss (or continued lack) of income is not the fault of the family (i.e. was not caused by the action or inaction of a household member).
   b) The family has applied for all benefits for which they may be eligible.
   c) No hardship will be granted if SWHA determines the family:
      i. could (but is not) accessing an available alternate source of income or
      ii. if the family has been denied assistance (TANF, etc.) due to non-compliance with program requirements.

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d) Residents with exempt or excluded income (income that has not been included in the most recent rent calculation) will not be eligible for hardship relief if the inclusion of such income would have resulted in a shelter burden below the established 50% threshold.

5. The Hardship Committee, at its sole discretion, has a number of determinations that can be made under the policy. Hardship relief is determined on a case-by-case basis. Approval of relief in one case does not establish eligibility or entitlement to relief in another case. Relief may be granted for a specific period of time, or indefinitely, as determined by the Committee. Examples of possible determinations include:

a) No hardship exists or alternate action is available within- existing policy that can be utilized to address the household need;

b) Rent should be set at ~~a temporary or permanent~~ family specific ~~cap~~amount;

c) The rent increase should be phased-in ~~-in~~e or deferred (and therefore must be repaid) for a specific period of time; ~~over a specific period of time;~~

d) Approval of an additional interim review ~~for a family that has previously exhausted the established limit of 2 interim reviews per every 2-year cycle for WIN Rent households~~.

e) Approval of an eligible medical ~~or handicapped assistance~~ deduction for a WIN Rent household. Only eligible expenses paid out-of-pocket for the care of an elderly or disabled family member will be considered. See Exhibit C for additional information.

f) Approval for a childcare deduction for an EASY Rent household. Only out-of-pocket amounts paid for a child under age 13 will be considered. See Exhibit C for additional information.

g) Approval of a Medical or Childcare expense above the $10,000 maximum in order to lower the household Shelter Burden below the 50% threshold.

h) Appropriate combination of above listed options or other recommendation as determined by the Committee.

1. Appeals: Families, who disagree with the recommendation of the Hardship Committee and/or final approval of the Director of Housing Management or Director of Resident Services, as applicable, may appeal the determination through the Housing Authority's existing Grievance Procedure.

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~~A. FAMILY CHOICE~~

~~At admission and each year in preparation for their annual reexamination, each family will be given the choice of having their rent determined under the income based formula rent method or having their rent set at the flat rent amount. See Section 11.L regarding additional rent recertification requirements applicable to over-Income and non-public housing over-income households.~~

~~B. THE FLAT RENT~~

~~The Housing Authority has set a flat rent for each public housing unit. The flat rent is based on 80% Fair Market Rents (FMR) for the Housing Authority's service area as determined annually by HUD.~~

The amount of the flat rent will be adjusted annually based on changes to the HUD published Fair Market Rent. Affected families will be given a 30-day notice of any rent change. Adjustments are applied on the anniversary date for each affected family (for more information on flat rents, see Section 10).

The Housing Authority's flat rents are posted at each of the developments and at the central office and are incorporated in this policy in Exhibit D.

For families choosing the FLAT RENT option, the rent will be the Flat Rent (for their bedroom size) less the Utility Allowance.

1. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they would otherwise undergo.

2. Families who opt for the flat rent may request to have a reexamination and return to the income based formula rent method at any time for any of the following reasons:

   a. The family's income has decreased.
   b. The family's circumstances have changed increasing their expenses for child care, medical care, etc.
   c. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.

C. THE INCOME BASED FORMULA RENT METHOD

The total tenant payment is equal to the highest of:

1. 10% of monthly income;
2. 30% of adjusted monthly income;
3. The welfare rent;
4. The Minimum Rent of $25, established by the Housing Authority.

The family will pay the greater the amounts above.

D. MINIMUM RENT

The Housing Authority has set the minimum Total Tenant Payment at $25. However if the family requests a hardship exemption, the Housing Authority will immediately suspend the minimum rent for the family until the Housing Authority can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

1. A hardship exists in the following circumstances:

   a. When the family has lost eligibility for or is waiting an eligibility determination for a federal, state, or local assistance program; including a family that includes a member who is a non-citizen 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;

   b. When the family would be evicted as a result of the imposition of the minimum rent requirement;

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~~c. When the income of the family has decreased because of changed circumstances, including loss of employment;~~

~~d. When the family has an increase in expenses because of changed circumstances, for medical costs, child care, transportation, education, or similar items;~~

~~e. When a death has occurred in the family.~~

~~2. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.~~

~~3. Temporary hardship. If the Housing Authority reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will be not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a repayment agreement in accordance with the rest of this policy for any rent not paid during the period of suspension. During the suspension period the Housing Authority will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.~~

~~4. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.~~

~~5. Appeals. The family may use the grievance procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.~~

~~E.~~A. RENT FOR FAMILIES UNDER THE NONCITIZEN RULE

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;

2. The family was granted continuation of assistance before November 29, 1996;

3. The family's head or spouse has eligible immigration status; and

4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision, the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the

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provision is 18 months. The Housing Authority will grant each family a period of six months to find suitable affordable housing. If the family cannot find suitable affordable housing, the Housing Authority will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

See Exhibit K, Section IV for information on determining Prorated Assistance for eligible Mixed Family households.

~~F.~~B. UTILITY ALLOWANCE

The Housing Authority will establish a utility allowance, or Energy Assistance Supplement, for all tenant-paid utilities. The allowance will be based on a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the amount, the Housing Authority will review changes anticipated due to modernization (weatherization efforts, installation of energy efficient appliances, etc.). Amounts will be evaluated annually and adjusted when review indicates the impact of rate changes, together with projected consumption (due to modernization or conservation measures implemented by SWHA), result in a cumulative change of 10% or more since the last revision of allowances. In such cases, revisions will be effective no later than 90 days following the Agency's determination that change is warranted.

Established amounts will be subtracted from the family's TTP, as defined in this policy, to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the Housing Authority. Tenant Rent will not be below the established minimum rent. Any utility cost incurred by the household above the energy supplement provided by SWHA is the responsibility of the tenant. Any savings resulting from actual charges below the amount of the allowance belong~~s~~ to the tenant. If the Utility allowance is greater than the Tenant's total tenant payment, ~~the Housing Authority will provide~~no utility reimbursement to the Family will be credited.

Families with unusually high utility costs are encouraged to contact the Housing Authority for an energy analysis. The analysis may identify problems with the dwelling unit that once corrected will reduce energy costs. The analysis can also assist the family in identifying ways they can reduce their costs.

No Utility Allowance is provided to a Non-public housing over-income household for whom the alternative minimum rent applies.

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SECTION 10: RECERTIFICATION

Revised 02/12/2026

A. GENERAL GUIDELINES FOR ANNUAL RECERTIFICATION

The Housing Authority will periodically review and verify a family's household income, deductions and composition in order to determine continued eligibility for program participation and to calculate the family's share of rent. The frequency of the scheduled recertification is determined by the rent calculation method (Income-based or Flat Rent programs) assigned to the family's household. As described elsewhere in this ACOP, recertification is completed once every three (3) years for Flat Rent households; and every year for Income-based Rent households. More frequent reviews may be conducted for residents of properties operated under the Low Income Housing Tax Credit (LIHTC) or similar program or when families transfer within the program or to another subsidy program (see Section 10.C and 10.D below). These reviews are necessary solely to meet obligations regarding eligibility determination of layered funding resources and are not considered part of SWHA's standardized EASY Rent or WIN Rent review process. HUD's Enterprise Income Verification (EIV) system will be used when possible to verify tenant income reported in connection with initial, recertification and interim reviews completed as outlined in this ACOP.

See Section 11.L regarding certification requirements specific to over-Income and non-public housing over-income households.

B. RECERTIFICATION PROCESS

The information gathered at the recertification includes the minimum necessary to certify the household's continued eligibility for program participation and proper assignment of unit size. Regularly scheduled recertifications will be completed every 3 years for Easy Rent Households and every 2 years for WIN Rent households as detailed in this ACOP. The Housing Authority will send a notification letter to the family letting them know that it is time for their recertification. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

As a general rule, the recertification process shall begin 90-120 days in advance of the scheduled anniversary date so that the Family can be given reasonable notice of any changes. The family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's Total Tenant Payment (TTP). Where appropriate, the Authority shall use the same procedures for obtaining, verifying, and calculating information that were used at admission and will compare the information the Family reports to the Family's most recent

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recertification and to information available through HUD's EIV system to identify any discrepancies. In addition, the recertification will be used to determine whether the family is in compliance with the Community Service Requirement (See Section 11). Upon receipt of verification, the Housing Authority will determine the family's annual income and will calculate the rent according to the terms of the applicable EASY Rent or WIN Rent program as outlined in this ACOP.

1. If the Family fails or refuses to provide the information needed (information that the Authority determines the Family is capable of supplying) within the required time limits, the Authority shall terminate the family from the program.

2. Once rent is established during the recertification, the rental rate shall remain in place until the next scheduled recertification or until circumstances occur that qualify for an Interim or Special rent adjustment as described in this policy.

    a. **EASY Rent Households ONLY**: In the intervening years of a 3-year recertification schedule, the EASY Rent family will not undergo a full recertification. However, the Housing Authority will automatically apply cost of living (COLA) adjustments to Social Security and SSI income received to adjust the resident's monthly rent during these interim periods. Prior to application of each COLA adjustment, families will be reminded of the requirements to report changes in income and/or family composition as in this ACOP. In addition, during intervening years, rent will be adjusted to reflect any changes in the unit's Energy Assistance Supplement not previously applied to the household's rent, and/or any changes to this policy as applicable.

    b. **WIN Rent Households ONLY**: In the intervening years of a 2-year recertification schedule, the WIN Rent family will not undergo a full recertification. However, during intervening years, rent will be adjusted to reflect any changes in the unit's Energy Assistance Supplement not previously applied to the household's rent, and/or any changes to this policy, as applicable.

C. RECERTIFICATION RULES SPECIFIC TO EASY RENT HOUSEHOLDS

1. **Recertification Every 3 Years:** The Housing Authority has adopted an EASY Rent program for all qualifying EASY Rent Households (see definition). Easy Rent policies are designed to simplify the recertification process, making rules easier to understand and administer. Under the program, households will undergo a complete recertification every three (3) years. In completing the recertification, the Housing Authority will

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follow the general guidelines established in Section 10.A. and 10.B above. Following completion of the recertification, the tenant's rent will be set at 30.7% of household adjusted income. (See Section 9 for additional information.)

a. In intervening years, income and rent will be automatically adjusted to apply COLA increases to Social Security and SSI income received by the household and update applicable EAS amounts Additional changes may occur when determined necessary by SWHA as a result of Board approved modification of income and rent calculation policies detailed herein. No other changes in rent will be processed during the intervening years, except as outlined in Section 10.F and 10.G below.

b. Families remain subject to regularly scheduled unit inspections and compliance with any applicable Community Service Work Requirement.

c. EASY Rent Households will remain subject to certification requirements applicable to overlaying programs, such as those of the Low Income Housing Tax Credit (LIHTC) program. However, these certifications will be conducted to determine the residents continued eligibility for program participation only. Actual tenant rent will be calculated according to the criteria established in this ACOP.

2. For families who transfer within the program or to SWHA's Project-based program, income verification from the most recent recertification (interim, update or full) may be used to complete the transfer, provided the review is no more than 12 months old. In such cases, A FULL recertification will be completed at the end of the initial 12 month lease period (in the new unit) at which time the client's EASY Rent (3 year) recertification cycle will start over.

D. RECERTIFICATION RULES SPECIFIC TO WIN RENT HOUSEHOLDS

1. **Recertification Every 2 Years:** The Housing Authority has adopted the WIN Rent program for WIN Rent Households (see definition). WIN Rent policies are designed to simplify the recertification process and provide incentives for families to increase economic self-sufficiency through employment and savings. Under the WIN Rent program, households will undergo a complete recertification every two (2) years. The WIN Rent program utilizes "income bands" to group resident income and allows income to grow without a change in their required monthly rent. In

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completing the recertification, the Housing Authority will follow the general guidelines established in Section 10.A and 10.B above. Following completion of the recertification, the tenant's rent will be set at the level equal to the Gross Rent Amount associated with the Income Band within which the household's Adjusted Gross Income falls. (See Section 9 for additional information.)

a. In intervening years, adjustment to rent may result from updates to the applicable EAS amounts. Additional changes may occur when determined necessary by SWHA as a result of Board approved modification of income and rent calculation policies detailed herein. Income and rent WILL NOT be adjusted to reflect increased income received by the household – except as outlined in Section 10.F and 10.G below.

b. Families remain subject to regularly scheduled unit inspections and compliance with any applicable Community Service Work Requirement.

c. WIN Rent Households will remain subject to certification requirements applicable to overlaying programs, such as those of the Low Income Housing Tax Credit (LIHTC) program. However, these certifications will be conducted to determine the residents continued eligibility for program participation only. Actual tenant rent will be calculated according to the criteria established in this ACOP.

2. For families who transfer within the program or to SWHA's Project-based program, income verification from the most recent review (interim, update or full) may be used to complete the transfer, provided the review is no more than 12 months old. In such cases, A FULL recertification will be completed at the end of the initial 12 month lease period (in the new unit) at which time the client's WIN Rent (2 year) recertification cycle will start over.

~~B. RECERTIFICATION PROCESS~~

~~The information gathered at the recertification includes the minimum necessary to certify the household's continued eligibility for program participation and proper assignment of unit size. The Housing Authority will send a recertification letter annually to each family letting them know that it is time for their annual reexamination. The letter will inform the household of the option to select either the flat rent or income-based rent method and, for current income-based household's schedule an appointment to review and/or submit~~

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needed information. Any forms the for the family to complete in preparation for the review appointment will be included with the annual review letter.

Families who think they may want to switch from a flat rent to an Income-based rent, should request an appointment with Housing Management staff. At the appointment, the family can make their final decision regarding which rent method they will choose.

A family who needs to reschedule their review meeting will be instructed to contact their Area Management Office for assistance. A family who needs to make alternate arrangements due to a disability may also contact staff to request a reasonable accommodation.

In addition to completing an annual review of income may also include an annual inspection of the unit. When the Housing Authority's review results in a determination that the family composition requires a transfer to a different bedroom size unit, ,the family's name will be placed on the transfer list.

As a general rule, the Annual Review process will begin 90-120 days in advance of the scheduled reexamination date so that the Family can be given reasonable notice of any changes. The family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's Total Tenant Payment (TTP). Where appropriate, the Authority will use the same procedures for obtaining, verifying, and calculating information that were used at admission and will compare the information the Family reports to the Family's most recent recertification and to information available through HUD's EIV system to identify any discrepancies. In addition, the Annual Reexamination will be used to determine whether the family is in compliance with the Community Service Requirement (see Section 11).

If not previously verified, all household members must also provide the required Social Security number documentation (or certification) at the time of the Annual Review. Additionally, all family members who have not previously provided evidence of citizenship or eligible immigration status (i.e. family members added to the lease since the last annual review) will be required to do so at the time of the Annual Review.

Upon receipt of verification, the Housing Authority will determine the family's annual income and will calculate the rent as outlined in this ACOP.

1) If the Family fails or refuses to provide the information needed (information that the Authority determines the Family is capable of supplying) within the required time limits, the Authority will terminate the family from the program.
2) Once rent is established at the Annual Review, the rental rate will remain in effect until the next Annual Review or until circumstances occur that qualify for an Interim or Special Review. See Section 11.L regarding certification requirements specific to over-Income and non-public housing over-income households.

C. FLAT RENT METHOD

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The annual letter to flat rent payers regarding the reexamination process will state the following:

a. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the formula amount.
b. The amount of the rent.
c. A fact sheet about income-based formula rents that explains the types of income counted, the most common types of income excluded, and the categories of allowances that can be deducted from income.
d. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo, except for the Annual Unit Inspection and compliance with Community Work Requirement.
e. Families who opt for the flat rent may request to have a reexamination and return to the income-based method at any time for any of the following reasons:
    1. The family's income has decreased.
    2. The family's circumstances have changed increasing their expenses for child care, medical care, etc.
    3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.
f. The dates upon which the Housing Authority expects to review the amount of the flat rent, the approximate rent increase the family could expect, and the approximate date upon which a future rent increase could become effective.
g. The name and phone number of an individual to call to get additional information concerning flat rents.
h. A certification for the family to sign accepting or declining the flat rent.

Each year prior to their anniversary date, the Housing Authority will send a reexamination letter to the family offering the choice between a flat or an income-based formula rent. The opportunity to select the flat rent is available only at this time. At the appointment, the Housing Authority may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the Housing Authority representative, they may make the selection on the form and return the form to the Housing Authority. In such case, the Housing Authority will cancel the appointment.

D. THE INCOME-BASED FORMULA METHOD

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's Total Tenant Payment (TTP). The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon receipt of verification, the Housing Authority will determine the family's annual income and will calculate their rent as follows.

The total tenant payment is equal to the highest of:

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~~a. 10% of monthly income;~~
~~b. 30% of adjusted monthly income;~~
~~c. The welfare rent; or,~~
~~d. The Minimum rent of $25.00 established by the Housing Authority.~~

~~The family's TTP will be the greater of the amounts above. As outlined in this policy, the monthly Tenant Rent payable by the family is determined by subtracting the established Utility Allowance from the TTP.~~

E. EFFECTIVE DATE OF RENT CHANGES FOR RECERTIFICATIONS

The new rent will generally be effective upon the anniversary date with thirty (30) days' notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any 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. (The family's recertification date will not change as a result of such a delay in implementation of the increased rent.) If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective retroactive to the scheduled anniversary date. Any reduction will be effective the first of the month after the review has been completed and a rent amount is determined. (The family's annual review date will not change as a result of such a delay in implementation of the decreased rent.)

F. Interim Recertification Rules for Easy Rent and Win Rent Households

Interim reviews are conducted to adjust a household's rent in between regularly scheduled full Recertification dates. An interim review does not include any actions to reset a household's rent to the appropriate Minimum Rent (following expiration of any approved credit rent) or an "uncapped" Tenant Rent (following expiration of
an approved $100 rent cap for families transitioning to EASY Rent or WIN Rent policies).
In addition, an interim review will not be completed for the sole purpose of including in the rent calculation previously excluded employment income of a household member who has reached his/her 21st birthday. The act of turning 21, in and of itself, does not constitute a change that must be reported, even if the household is on a credit rent. Any previously excluded earned income if such individuals will only be included in the rent calculation when additional changes in

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family circumstances trigger the need to complete an interim review as described below.

Interim reviews will be completed only in limited circumstances for EASY Rent and WIN Rent households as follows:

1. **SWHA Required Interim Reviews:** An interim review will be required whenever the family seeks approval to add a member to the household. However, tenant rent will be changed only when:
   a. **For WIN Rent Households**: The addition of the household member results in increasing household income above the current income band.

   b. **For Easy Rent Households**: The addition of the household member results in an increase in household income of greater than $2,000.

   c. **For ALL Households**: Increases in income for a household that is currently paying the Minimum Rent or has a reported income of $0. In such cases, interim reviews will be required until the household no longer qualifies for the minimum rent.

   d. **For ALL over-Income and non-public housing over-income households**: Interim reviews will be completed when required by HUD regulations as detailed in Section 11.L of this ACOP.

   e. Discovery of errors, misrepresentation and/or fraud.

   Increases in household income that are not the result of one of the actions listed above will not be included in the rent calculation until the next full recertification unless the household has requested an interim review due to a decrease in income (see below).

2. **Tenant Requested Interim Reviews**: SWHA will not reduce the rent of a household due to a reduction in welfare assistance specifically due to fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement. This exception does not apply if: (i) the reduction results from the expiration of a lifetime limit on receiving benefits; (ii) as required the family members have sought, but cannot find, employment; (iii) the family has complied with welfare program requirements but loses assistance because of a durational time limit – such as a cap on benefits for a period of no more than 2 years in a 5 year period.

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Upon request, SWHA will complete an interim review under the following circumstances:

a. Removal of a household member that results in a decrease in income. For WIN Rent households a rent change will only be completed for decreases that result in household income below the current income band. For Easy Rent Households, a change will only be completed when the household composition change results in a reduction in household income greater than $2,000.

b. **For Easy Rent Households Only**: A decrease in income in an amount greater than $2,000 through no fault of their own.

c. **For WIN Rent Households only**: A decrease in income that results in a drop in adjusted gross income below the current income band;

d. **For WIN Rent Households only**: An increase in eligible childcare expenses that is greater than $2,000 AND results in a drop in adjusted gross income below the current income band; [Note: No deduction is provided for out-of-pocket childcare expenses of less than $2,500.]

e. Increase in unreimbursed medical expenses greater than $2,000 when total medical expenses exceed $2,500 (WIN Rent households must be granted an exception under SWHA's Hardship Policy to qualify for a deduction for medical expenses);

f. Discovery of errors, misrepresentation and/or fraud.

Under the WIN Rent program, households are limited to two (2) tenant-requested Interim reviews in any two-year recertification cycle. This restriction does not apply to Easy Rent households.

When determining whether an interim rent reduction is warranted, all sources of household income (including employment income of household members who have turned 21 since the last full recertification) and ALL current out-of-pocket expenses for childcare, will be updated and included in the calculation of total household income and resulting tenant rent.

Following completion of an interim review to DECREASE RENT, the household will be required to report all increases in income within thirty (30) days of occurrence.

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A SWHA required interim review will be conducted for such households when the reported increase(s) in income results in an increased rent.

Interim recertifications will only be processed if the effect of the loss of income is expected to be longer than **thirty (30)** days.

Failure to properly report any required change (as described) is cause for termination of tenancy and/or housing assistance payments and if applicable, shall require a retroactive rent charge.

See Section 10.H below for information regarding processing of the interim recertification and effective dates of the rent change.

H. General Guidelines for Special Recertification's for Income-Based Rent Tenants

If at the time of the recertification (or Admission), it is not possible to make an estimate of adjusted income for the next twelve-month period with any degree of accuracy (i.e., the household has no income or has an unstable income pattern) the Authority shall determine current rent based on available income data and annualize this amount. A Special Review shall then be scheduled every 60 days until the income stabilizes and an annual income can be determined. This process shall be continued, if necessary, up to the Family's next scheduled recertification or until such time as a reasonable estimate of adjusted income can be made.

If income has changed at the time of any Special Review, the rate of income shall again be projected for a twelve-month period and rent charged accordingly. If at any time the family reports it has zero income, Special Reviews shall be scheduled at intervals not to exceed every three months until such time as a stable source of income is reported. If a family is eligible for certain sources of income but claims they do not have any income, the family shall be required to document that they are not receiving income to which they are entitled. A family reporting no income will also be required to submit a monthly budget (HACK Form 409) to the Authority.

I. Processing Interim and Special Recertifications

1. **Processing Reported Changes** - If a reported change qualifies for an interim review, the Housing Authority will:

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a. Notify the tenant within fourteen (14) business days that the review will be conducted.
b. Always give the tenant thirty (30) days written notice of a rent increase.

If the change does not qualify for an interim review, the Authority will notify the tenant within fourteen (14) business days that the review will not be conducted.

Whenever there is evidence that additional changes to income or composition will occur as a result of the reported changes, the Housing Authority reserves the right to delay processing an interim review for a period not to exceed thirty (30) days.

2. **Effective Date of Rent Changes – Increased Tenant Rent**

a. If the change has been reported as required, the increased rent shall be effective the first of the third month following the month in which the change in family income or composition occurred.
b. If the change has been reported as required, and the processing of the interim review is delayed due to the fault of the Housing Authority, the rent increase shall be effective the first of the month thirty (30) days following the processed change.
~~a.~~c. If the change has not been reported as required, or if the tenant fails to provide the required information, the family shall be determined to have caused an unreasonable delay in the interim review process. The rent will be increased the first of the month thirty (30) days following the processed change. However, the effective date of the increase will be the first of the month following the date the change occurred. Any money due the Housing Authority as a result of the difference between the date the rent was increased and the effective date of the increase will be charged to the tenant as retroactive rent.

3. **Effective Date of Rent Changes – Decreased Tenant Rent**

a. Properly reported changes received ON OR BEFORE the 22nd day of the month: a decrease in tenant rent shall be effective the first day of the month following the month in which the change was reported.
b. Properly reported changes received AFTER the 22nd day of the month: a decrease in rent shall be effective the first day of the second month following the month in which the change was reported

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c. Improperly reported changes (Changes not reported within 30 days as required): a decrease in tenant rent shall be effective the first day of the second month following the date in which the change was reported.

However, no downward rent adjustments shall be processed until all facts have been verified, even if a retroactive adjustment results.

J. Discovery Of Errors

If an error in rent is revealed at any time, the Authority shall make adjustments to correct the error as follows:

1. If the error was due to misrepresentation/fraud (i.e., not reporting a change, withholding information, etc.) and corrective actions result in an increased tenant rent, such rent shall be retroactive to the first month following the date the misrepresentation occurred. Unless otherwise agreed to by the Authority, all retroactive rent charges shall be payable the first of the month following determination of the charge.
2. If the error was the fault of the tenant and corrective action results in decreased tenant rent, such decrease shall be effective the first of the month following the date when the error was discovered.
3. If the error was not the fault of the tenant and corrective action results in increased rent, such rent shall be effective the first of the second month following the date the error was discovered.
4. If the error was not the fault of the tenant and corrective action results in decreased tenant rent, the change in rent shall be made retroactive to the effective date the error was made, and the tenant shall be reimbursed accordingly. Where possible, reimbursement will be completed by crediting the tenant's account for the overpayment. Otherwise, the HA will issue a check to the tenant following completion of the corrective action.

K. Retroactive Rent Collection Procedures

If the Housing Authority allows a person who owes back rent to remain on the program, a written repayment agreement may be offered, at the sole discretion of the Housing Authority, and will be calculated in the following manner:

1. For retroactive amounts accrued in 12 months or less, repayment shall be made in a time period not to exceed the number of months it took to accrue the balance.
2. For retroactive amounts whose accrual time is longer than 12 months, repayment shall be made in a time period not to exceed 12 months.

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The Housing Authority retains the right to begin eviction procedures against a tenant who misses a payment or refuses to sign a retroactive rent agreement.

In the case of a vacated or evicted Public Housing participant owing retroactive rent amounts, a repayment agreement must be signed with the Housing Authority within 30 days of the date of the vacate. The repayment agreement shall not exceed 6 months. If an agreement is not executed within 30 days, all amounts owing will be sent to a collection agency.

L. Addition or Removal of Family Members

Whenever additional members are being added to the household, written permission must be obtained (in advance) from the Authority. A person being added must meet the Authority's eligibility requirements and standards prior to being added to the household. The same standards of eligibility and tenant suitability that the Authority uses for applicants shall be used in evaluating a person who is joining a family already in occupancy.

The Housing Authority shall have the sole discretion as to which member(s) of an assisted family will continue to receive assistance in the program if the family breaks up. It is the general policy of the Authority to provide assistance to the family members remaining in the unit unless it is determined that the family member(s) remaining in the unit is the abuser in a situation of domestic violence. In each case, the Housing Authority will review the interests of minor children, ill, or elderly persons, or persons with disabilities prior to making its determination. If the local Superior Court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the Housing Authority shall be bound by the court's determination concerning which family members continue to receive assistance in the program.

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~~E. EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS~~

~~The new rent will generally be effective upon the anniversary date with 30 days' notice of any rent increase to the family.~~

~~If the rent determination is delayed due to a reason beyond the control of the family, then any 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. (The family's Annual Recertification date will not change as a result of such a delay in implementation of the increased rent.) If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.~~

~~If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined. (The family's Annual Review date will not change as a result of such a delay in implementation of the decreased rent.)~~

~~F. GENERAL GUIDELINES FOR SPECIAL RECERTIFICATION FOR INCOME-BASED RENT TENANTS~~

~~If at the time of the Annual Review (or Admission), it is not possible to make an estimate of Adjusted Income for the next 12-month period with any degree of accuracy because of no current income, or, unstable past income patterns, the Authority will determine current rent based on available income data and annualize this amount. A Special Review will then be scheduled every 60 days until the income stabilizes and an annual income can be determined. This process will be continued, if necessary, up to the Family's Annual Review, until such time as a reasonable estimate of Adjusted Income can be made.~~

~~If income has changed at the time of any Special Review, the rate of income will again be projected for a 12-month period and rent charged accordingly.~~

~~If at any time the Family reports it has zero income, Special Reviews will be scheduled at intervals not to exceed every three months until such time as a stable source of income is reported. If a Family is eligible for certain sources of income but claims they do not have any income, the Family will be required to document that they are not receiving income to which they are entitled. A Family reporting no income will also be required to submit a monthly budget (Form 409) to the Authority.~~

~~G. PROCESSING INTERIM REVIEW AND SPECIAL REVIEWS FOR INCOME-BASED RENT TENANTS~~

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1. Reporting of Changes - Families will be required to report changes in household composition and housing (Family) income in the following manner:

   a) Changes must be reported in writing;
   b) Must be received by the Housing Authority within 30 days of the occurrence.

   Failure to properly report any change is cause for termination of tenancy or housing assistance payments and, if applicable, will require a retroactive rent charge.

2. Changes Qualifying for an Interim Review – An interim review will be conducted for reported changes in income or family composition in the following situations:

   a) **Decrease in income and/or increase in deductions:** An interim review will be completed the family reports a change in income and/or deductions that resulted in decreasing Adjusted Income by 10% or more. In calculating the revised adjusted income, the HA **will not** consider increases in earned income (i.e., employment) that have occurred since the last review **unless** the prior review was an Interim Review that resulted in a decreased rent. In addition, a review **will not** be conducted if the decrease in income resulted from termination of welfare assistance due to fraud or failure to meet the requirement to participate in economic self-sufficiency or work activity.
   b) Changes affecting family composition;
   c) Receipt of lump sum payments due to a delayed start of a periodic payment (excluding payments from Social Security or SSI);
   d) Increase in income for families on Credit Rent or for those who have previously reported zero income;
   e) Errors/misrepresentation/fraud;
   f) Any change resulting in an increase in tenant rent when the previous interim review resulted in a decrease in tenant rent.

   EXCEPTION: *An Interim Review to reduce rent **will not** be conducted for changes occurring within the last three (3) months of a family's certification period.*

3. Processing of Reported Changes - upon receipt of the reported information, the changes will be processed in the following manner:

   a) If the change qualifies for an interim review, the Authority will:

      i. Verify and update those factors reported to have changed since the last review. Reverification of factors that have not been reported to have changed is not required, even if the documentation is more than 180 days old. Notify the tenant within 14 business days that the review will be conducted.
      ii. Always give the tenant 30 days' written notice of a rent increase.

   b) If the change does not qualify for an interim review, the Authority will notify the tenant within 14 business days that the review will not be conducted.

   c) Whenever there is evidence that additional changes to income or composition will occur as a result of the reported changes, the Housing Authority reserves the right to delay processing an interim review for a period not to exceed 30 days.

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4. Effective Date of Rent Charges/Retroactive Charges

a) Increased Tenant Rent

i. If the change has been reported as required, the increased rent will be effective the first day of the third (3rd) month following the month in which the change in family income or composition occurred.

ii. If the change has been reported as required, and the processing of the interim review is delayed due to the fault of the Housing Authority, the rent increase will be effective the first of the month 30 days following the processed change.

iii. If the change has not been reported as required, or if the tenant fails to provide the required information, the family will be determined to have caused an unreasonable delay in the interim review process. The rent will be increased the first of the month 30 days following the processed change. However, the effective date of the increase will be the first of the month following the date the change occurred. Any money due the Housing Authority as a result of the difference between the date the rent was increased and the effective date of the increase will be charged to the tenant as retroactive rent.

b) Decreased Tenant Rent

i. Properly reported changes received ON OR BEFORE the 22nd day of the month: a decrease in tenant rent shall be effective the first day of the month following the month in which the change was reported.

ii. Properly reported changes received AFTER the 22nd day of the month: a decrease in rent shall be effective the first day of the second month following the month in which the change was reported

Improperly reported changes (Changes not reported within 30 days as required): a decrease in tenant rent shall be effective the first day of the second month following the date in which the change was reported. However, no downward rent adjustments shall be processed until all facts have been verified, even if a retroactive adjustment results.

c) Discovery of Errors

If an error in rent is revealed at any time, the Authority will make adjustments to correct the error as follows:

i. If the error was due to misrepresentation/fraud (i.e., not reporting a change, withholding information, etc.) and corrective actions result in an *increased* tenant rent, such rent will be retroactive to the first month following the date the misrepresentation occurred. Unless otherwise agreed to by the Authority, all retroactive rent charges will be payable the first day of the month following determination of the charge.

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ii. If the error was the fault of the tenant and corrective action results in decreased tenant rent, such decrease will be effective the first day of the month following the date when the error was discovered.

iii. If the error was not the fault of the tenant and corrective action results in increased rent, such rent will be effective the first day of the second month following the date the error was discovered.

iv. If the error was not the fault of the tenant and corrective action results in decreased tenant rent, the change in rent will be made retroactive to the effective date the error was made, and the tenant will be reimbursed accordingly. Where possible, reimbursement will be completed by crediting the tenant's account for the overpayment. Otherwise, the HA will issue a check to the tenant following completion of the corrective action.

d) Over-income and non-public housing over-income households: interim reviews will be completed when required by HUD regulations as detailed in Section 11.L of this ACOP.

H. RETROACTIVE RENT COLLECTION PROCEDURES

If the Housing Authority allows a person who owes back rent to remain on the program, a written repayment agreement may be offered, at the sole discretion of the Housing Authority, and will be calculated in the following manner:

1. For retroactive amounts accrued in 12 months or less, repayment will be made in a time period not to exceed the number of months it took to accrue the balance.

2. For retroactive amounts whose accrual time is longer than 12 months, repayment will be made in a time period not to exceed 12 months.

The Housing Authority retains the right to begin eviction procedures against a tenant who misses a payment or refuses to sign a retroactive rent agreement.

In the case of a vacated or evicted Public Housing participant owing retroactive rent amounts, a repayment agreement must be signed with the Housing Authority within 30 days of the date of the vacate. The repayment agreement will not exceed six months. If an agreement is not executed within 30 days, all amounts owing will be sent to a collection agency.

I. ADDITION OR REMOVAL OF FAMILY MEMBERS

Whenever additional members are being added to the household, written permission must be obtained (in advance) from the Authority. A person being added must meet the Authority's eligibility requirements and standards prior to being added to the household. The same standards of eligibility and tenant suitability that the Authority uses for applicants will be used in evaluating a person who is joining a Family already in occupancy.

The Housing Authority will have the sole discretion which members of an assisted family will continue to receive assistance in the program if the family breaks up. It is the general policy of the

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~~Authority to provide assistance to the family members remaining in the unit unless it is determined that the family member(s) remaining in the unit is the abuser in a situation of domestic violence. In each case, the Housing Authority will review the interests of minor children, ill, or elderly persons, or persons with disabilities prior to making its determination. If the local Superior court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the Housing Authority will be bound by the court's determination concerning which family members continue to receive assistance in the program.~~

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EXHIBIT B. INCOME EXCLUSIONS

Revised 02/12/2026

1. Income **from employment** of household members, other than family head, spouse or co-tenant, under the age of 21 years. Income from employment of family members under age 21 is excluded from the calculation of household income until the first review (Interim or Full Recertification) completed after the household member reaches age 21. This item **excludes ONLY employment income**, all other sources of income received by or on behalf of those under age 21 is included in the calculation of household income as detailed in this ACOP (See Exhibit A and Exhibit B).

~~1. Income from employment of children (including foster children) under the age of 18 years and earnings in excess of $480.00 for each full-time student 18 years old or older (excluding the Head of Household or spouse).~~

2. Payments received for the care of foster children, or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone). These amounts include State or Tribal kinship or guardianship care payments.

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 property losses (but see Paragraph B.5 of Exhibit A).

4. Amounts received by the family that are specifically for or in reimbursement of the cost of medical expenses for any family member.

5. Income of a Live-In Aide, foster child, or foster adult as defined in 24 CFR 5.403 and 5.603, respectively.

6. The full amount of student financial assistance paid directly to the student or to the educational institution. Loan proceeds are not considered income.

7. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.

8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

9. Income from assets when the total value of assets held by the Family is less than $50,000.

10. Amounts received from the following programs:

    a. Amounts received under training programs funded by HUD or other qualifying training program funded in whole or in part through Federal, State or local government sources (see Exhibit C for additional information).

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EXHIBIT C. CLARIFICATIONS ON INCOME, ASSETS AND ALLOWANCES

Revised 02/12/2026

I. ANNUAL INCOME

A. General Rule

Annual Income is the gross income anticipated to be received by the Family from all sources during the 12 months following the effective date of admission or reexamination. (See Exhibits A and B of this policy for the listing of income inclusions and exclusions.)

To compute the Annual Income, the HA will:

- Use current family circumstances to anticipate income unless the verification forms indicate an imminent change.
- Annualize all income, including income that may not last the full 12 months (such as unemployment benefits). When circumstances change, an Interim or Special Reexamination may be processed.

To annualize full-employment, the HA will multiply:

- Hourly wages by 2080
- Weekly wages by 52
- Bi-weekly wages by 26
- Semi-monthly wages by 24
- Monthly amounts by 12

B. NON-WAGE INCOME

Count **any benefit income** or other **non-earned income** (TANF, SSI, Social Security, unemployment benefits, etc.) paid to or on behalf of household members, including minors – unless the income is from a source specifically excluded under Exhibit B. However, DO NOT prorate income from Social Security or SSI due to receipt of Cost-of-Living adjustments that are anticipated to be received in the following year. Cost-of-Living adjustments to Social Security or SSI are only to be applied at each household's lease Anniversary date effective January 1st and after of any given year.

C. ~~Income of Dependents~~Employment Income

Count the gross income (before deductions for taxes, etc.) anticipated from employment (wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services) of the family's Head of Household, Spouse and/or Co-Tenant. In addition, count the gross income (before deductions for taxes, etc.) anticipated income from employment (wages, salaries,

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overtime pay, commissions, fees, tips, bonuses and other compensation for personal services) for other household members age 21 and older. DO NOT include employment income from household members under age 21, other than the Head, Spouse or Co-Tenant.

~~Count any benefit income or other non-earned income paid to minors or on behalf of minors. Income in excess of $480.00 for each full-time student 18 years or older is not counted as well as any earned income of minors (family members age 17 and under). Income for the care of foster children or foster adults is never counted.~~

D. Income from Assets

Income from Assets will not be considered in the calculation of Family Income when the total value of Assets held by the family is less than $50,000.

When the family has assets of more than $50,000, use the greater of:

1. Actual income from assets or
2. Imputed income from assets based upon the HA Established passbook rate. The passbook rate must be within 75 basis points of the Savings National Rate.

~~To compute income from assets:~~

- ~~Use actual income from assets if the family's assets are $5,000 or less.~~
- ~~When the family has assets of more than $50,000, use the greater of:~~
  - ~~Actual income from assets or~~
  - ~~Imputed income from assets based on the Housing Authority established passbook rate. The passbook must be within a safe harbor range of 75 basis points (plus or minus 0.75%) of the Savings National Rates. The Housing Authority will review the established passbook rate annually if it is still within the safe harbor range. See Exhibit E for current SWHA rate.~~

~~Where the family maintains a nominal balance (defined as an average 6-month balance of $1,000 or less) in a **checking account** in order to meet normal living expenses, neither the value of the checking account or the actual or imputed income derived therefrom will be used in the calculation of Income from Assets.~~

E. Income from Temporarily Absent Family Members

Count all of the income of every family member who is on the lease including those who are temporarily absent. In addition, count the income of the spouse of the head of household if that person is temporarily absent, such as away at college or in the Armed Forces, even if that person is not on the lease (see Exhibit B for Income Exclusions).

F. Income of Persons Confined to a Hospital or Nursing Home

If a household member is confined to a nursing home or hospital on a long-term basis, allow the family to remove that family member's name from the lease, exclude the income, and do not allow any deductions for the individual removed from the lease. The family member would be considered to

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Authority of any subsequent changes in the term or amount of such specified welfare benefit reduction.

The Housing Authority will only include Imputed Welfare Income in annual income if the family was an assisted resident at the time of the sanction. If the family is not satisfied that the Housing Authority has calculated the amount of Imputed Welfare Income correctly and if the Housing Authority denies the family's request to modify such amount, the Housing Authority will give the resident written notice of such denial, with a brief explanation of the basis for the determination of the amount of Imputed Welfare Income. The notice will also state that if the resident does not agree with the determination, the resident may file for a grievance hearing in according with the Authority's Grievance Procedure. The resident is not required to pay an escrow deposit for the portion of the resident's rent attributable to the Imputed Welfare Income in order to obtain a grievance hearing.

1. The Housing Authority is responsible for determining the amount of Imputed Welfare Income that is included in the family's annual income as a result of a welfare benefits reduction as determined by the welfare agency.

2. The Housing Authority is not responsible for determining whether a reduction of welfare benefits by the welfare agency is correctly determined by the welfare agency, nor for providing the opportunity for review or hearing on such welfare agency determinations.

L. Income from a Business (Includes Self-Employed, Rental of Real Property, etc.)

Consider business expenses in computing the family's net income from a business. Generally, net income equals gross income less:

1. Depreciation (computed on a straight-line basis),

2. Interest payments on loans and

3. Other business expenses, except expenses related to business expansion or capital improvements.

Count as income any withdrawals of cash or assets by the family from the business unless the withdrawal is for reimbursement of amounts the family invested in the business.

M. Income of Foster Children

Income for care of foster children or foster adults is excluded. ~~and no dependent deduction is allowed.~~

N. Income of a Live-in Aide

Income received by a live-in aide is excluded and no deduction is allowed. While a relative is not prohibited from serving as a live-in aide (and thus, having their income excluded), they must prove that:

1. They are essential to the care and well-being of the family member (for an elderly person, person with disabilities or a near-elderly person) and not obligated for their support; and

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2. They must be one who would not be living in the unit except to provide the necessary supportive services.

O. Student Financial Assistance

Student financial assistance paid directly to the student or to the educational institutions will not be counted as income.

P. Resident Stipend

A resident stipend is an amount received by a resident for performing a service for the owner (HA) on a part-time basis that enhances the quality of life in the development and/or increases the economic self-sufficiency of the resident through education and training. .As determined by the Housing Authority, such services may include, but are not limited to, laundry room attendant, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of a Housing Authority Board of Commissioners. It should be emphasized that if an owner (HA) pays a resident more than the approved exclusion limit (See Exhibit B, Income Exclusions), then the entire amount received is counted as income. There is no limit as to the number of stipends a family may receive, however, each family member may only exclude one stipend at a time.

Q. Payments awarded to Vietnam Veterans Affected by "Agent Orange"

Payments awarded to Vietnam Veterans affected by "Agent Orange" are to be treated as follows:

1. Lump-sum payments would not be counted as annual income, but would affect total assets.

2. Periodic payments would be counted as annual income.

R. Zero Rent/Credit Rent

If at any time the family reports zero income or~~,~~ is placed on a zero rent~~ or receives a Utility Reimbursement~~, Special Reviews must be clearly set for definite times as outlined in Section 10. In addition, controls such as the submission of monthly budgets by the household, may be used to ensure compliance with income reporting requirements.

If an EASY Rent or WIN Rent household appears ~~If a family is~~ eligible for certain sources of ~~income~~income (TANF, unemployment, etc.,) ~~-~~but claims they do not have any income, the family will be required to document that they are not receiving income to which they are entitled~~-~~. Families who do not access all available sources of income are not eligible to be granted relief from the calculated rent under SWHA's Hardship Policy.

~~**S. State or Local Employment Training**~~

~~This exclusion exempts the incremental increase in compensation received from qualifying employment training programs and training of resident management staff. To qualify, the compensation must be a component of a state or local employment training program with clearly defined goals and objectives. This exclusion only covers compensation received while the resident participates in the employment training program, and, the duration of participation must be for a limited period determined in advance. Please note, only the incremental change in income resulting in participation in such a training program is exempted from annual income.~~

~~For example:~~

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~~A Public Housing resident enrolls in a qualified state-funded training program. Prior to enrolling in the program, the resident receives $350 per month in TANF funds. While enrolled in the qualifying state program, the resident receives $450 per month in training income. The TANF benefits cease.~~ ~~**The incremental amount excluded from the Family's income would be $100, the "incremental" difference between what the resident received prior to enrollment in the training program and what is received while enrolled in the training program.**~~

~~T.~~S. Exclusion of Income Received Under Training Programs Funded by HUD or Other Federal, State of Local Government Sources

Exclusion of income received under training programs funded by HUD includes amounts received such as stipends, wages, transportation payments, and childcare vouchers received pursuant to the training program. Income received as compensation for employment is excluded **only** if the employment is a component of a training program. The exclusion of income earned is allowed only during the job training program, or training oriented employment, but not during employment secured or maintained once all training has been completed.

To qualify as acceptable training-oriented employment for the purposes of excluding income the training must have clearly defined goals and objectives and is for a pre-determined, limited time period, and initially, not to exceed one year. It is acceptable that the program use both HUD funds and non-HUD funds, but HUD funding must be material portion of the total funding designated for the training programs. This provision excludes **all** income received under the training program during the time that the resident is participating in the training program.

~~U. Exclusion of Income Received from Programs providing Employment Training and Support Services~~

~~For Public Housing Only: This exclusion is for the **incremental** differences in earning and benefits that result from the participation in a qualified employment training program.~~

II. ASSETS

A. Valuing Assets

Since the cash value of assets is used in this computation, consideration must be given to expenses involved in selling or converting assets to cash. Cash value is the market value of the asset minus reasonable costs that were or would be incurred in selling or converting the asset to cash, such as:

1. Penalties for premature withdrawal of funds (for IRA, Keogh, time deposits, etc.);
2. Broker and legal fees for selling or converting assets to cash; and
3. Settlement costs for real estate transactions.

The cash value of the following are examples of assets that are to be considered in the calculation of income:

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In situations where the family claims to have "loaned" assets to other private parties (relatives, friends, neighbors, etc.), the HA will continue to count the asset as under the family's control and continue to count the net cash value of the asset, letting the family deal with actually recovering the money at some time in the future.

If the family claims they gave the asset away, however, the HA would consider it an asset "disposed of for less than Fair Market Value" and calculate the income based on that procedure.

B. Items Not Counted as Assets

1. Necessary personal property (furniture, clothing, cars, etc.). In distinguishing necessary personal property from assets, consider the following:
   a. Necessary personal property usually is not expected to increase in value, and
   b. Necessary personal property is usually used by the owner.
2. Vehicles especially equipped for the handicapped.
3. Assets not accessible to the family and which provide no income for the family.
4. Interest in Indian trust lands.
5. Assets that are a part of an active business or farming operation.
6. The equity in owner-occupied cooperatives and manufactured homes in which an assisted family lives.

III. ADJUSTED INCOME - ALLOWANCES

~~**A. Dependent Allowance**~~

~~A dependent allowance of $480 per dependent is provided and covers any household member who is:~~

~~1. Under 18,~~

~~2. Disabled, or~~

~~3. A full-time student. (The institution defines what subject load constitutes full-time and an educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.)~~

~~The Head of Household, Spouse, Foster Child or Live-In Aide are never counted as dependents.~~**~~Elderly Household Deduction~~**

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~~Families in which the Head of Household or Spouse is at least 62, or disabled, are entitled to a $400 household deduction. Only one deduction per family is permitted even if both the head of household and spouse are elderly. A family may not designate a family member as head of household solely to become eligible for this deduction~~

~~C.~~A. Child Care ~~Allowance~~Expenses: *Not available to Fixed Income "Easy Rent" Households" unless approved under SWHA's Hardship Policy

Reasonable c~~C~~hild care expenses for the care of children, including foster children, under age 13 are permitted when such care is needed to enable a family member to work or to further their education (academic or vocational). In order to qualify for the child care allowance, the Family must demonstrate that:

1. No adult household member capable of providing child care during the hours needed is available;
2. The amount submitted for deduction is reasonable in terms of costs, number of hours and type of care;
3. The amount of child care expense which enables a family member to work does not exceed the employment income earned because the care is available.; When more than one family member works, assume that the child care expense enables the lowest paid individual to work, unless this is obviously not the case;
4. The amount is not paid to a family member living in the household;
5. The amount is not paid or reimbursed by an agency or individual outside the household. The applicant's written certification is needed as to whether any of the child care payments have been or will be reimbursed by outside sources. If only a portion of the child care expense is reimbursed, the remainder would be considered for deduction;
6. If the child care provider also cares for other family members, the amount for the care of children under 13 must be prorated;
7. The amount is not paid for the care of any child under age 13, who resides in a household operating an in-home child care facility. Such households will be determined able to provide care for their own household members and will not be eligible for a reduction from gross income in such cases;

Child support payments for children who do not live in the unit are not considered child care payments and, therefore, are not included in this allowance. The actual amount of the deduction provided is established by SWHA according to the following expense bands:

Eligible Child Care Expenses Incurred	$ Amount of Deduction
Below $2,500	$0

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$2,500 - $4,999	$2,500
$5,000 – $7,499	$5,000
$7,500 - $9,999	$7,500
$10.000 or more	$10,000

~~D.~~B. Handicapped Assistance Allowance

Households may deduct anticipated expenses for attendant care and auxiliary apparatus for a family member who is a person with disabilities (according to the HUD definitions) if such expenses enable a family member (including the person with disabilities) to be employed. The amount of the deduction **may not exceed the employment income received** by the family member who is able to work as a result of the provision of attendant care or auxiliary apparatus for the person with disabilities.

~~Families may deduct anticipated expenses for attendant care and auxiliary apparatus for a family member who is a person with disabilities (according to the HUD definitions) if such expenses:~~

1. ~~Are needed to enable a family member (including the person with disabilities) to be employed,~~
2. ~~Exceed three percent of Annual Income, and~~
3. ~~The amount deducted does not exceed the employment income received by Family members (including the person with disabilities) 18 years or older who are able to work as a result of the assistance to the person with disabilities.~~

Any family with a handicapped or disabled family member may qualify for this allowance even if neither the Head of Household nor spouse is handicapped or disabled.

1. For households under SWHA's WIN Rent program, out-of-pocket expenses under this category will be combined with out-of-pocket Child Care Expenses, if any, when determining Adjusted Annual Income for the household.
2. Under the EASY Rent program, out-of-pocket expenses in this category will be combined with out-of-pocket Medical Expenses, if any, when determining Adjusted Annual Income for the household.

Auxiliary apparatus includes items such as wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc. which directly relate to permitting the handicapped/person with disabilities or other family member to work. If the apparatus is a specially-equipped van, the expense is to be based on the difference between it and the cost of a regular, moderately priced car.

Attendant Care attendant expenses may be paid to a relative only if it is determined that the relative is not a member of the family.

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When a child care provider takes care of children under age 13 *and* a handicapped/disabled member 13 years or older, expenses must be prorated appropriately since the way in which child care and handicap expenses are computed differ.~~A family whose head of household or spouse is elderly or is a person with disabilities is also permitted to deduct medical expenses using a special calculation.~~

~~E.~~C. Medical Expense Deductions

Allowances for medical expenses when **total "out-of-pocket" unreimbursed expenses exceed $2,500.**

A deduction will be provided for the **medical and/or disability expenses** related to the care of elderly and/or disabled family members only.

The actual amount of the deduction provided is established by SWHA according to the following expense bands:

Eligible Medical Expenses Incurred	$ Amount of Deduction
Below $2,500	$0
$2,500 - $4,999	$2,500
$5,000 – $7,499	$5,000
$7,500 - $9,999	$7,500
$10,000 or more	$10,000

Under the Hardship Policy, a WIN Rent Household may qualify for a Medical Deduction only when it can be demonstrated that the household's childcare and medical costs, and calculated Total Tenant Payment (TTP = Rent + Energy Assistance Supplement) results in the household facing an "extraordinary cost of living".

In calculating the household's eligible expense level, include expenses that are not covered by outside sources, such as insurance, and that are anticipated to be incurred during the next 12 months following the family's examination/reexamination. Additionally, include the portion of expenses that were incurred during the 12 months prior to the annual review but were paid prior to the currently scheduled reexamination. Expenses such as the following would be allowed:

a. Services of doctors and health care professionals.
b. Services of health care facilitators.
c. Medical insurance premiums, including premiums paid for long-term care insurance.
d. Prescription medicines.
e. Transportation to and from treatment facilities.
f. Dental expenses (including the costs of obtaining/repairing dentures).
g. Eyeglasses, hearing aids, batteries.
h. Live-in attendant or periodic medical assistance.
i. Monthly payment(s) on accumulated medical bills.

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j. Costs associated with the use of a service animal trained to assist persons with physical disabilities. Grooming parlor expenses associated with luxury-type care, and costs incurred for boarding an animal when not in use are excluded.

~~Allowances for medical expenses (expenses that exceed three percent of annual income) are permitted only for households in which the head of household or spouse is at least 62, or disabled. If the family is eligible for a medical expense deduction:~~

~~1. Count medical expenses of all family members, and~~

~~2. Include expenses that are not covered by outside sources, such as insurance, and that are anticipated to be incurred during the next 12 months following the family's examination/reexamination. Additionally, include the portion of expenses that were incurred during the 12 months prior to the annual review but were paid prior to the currently scheduled reexamination. Expenses such as the following would be allowed:~~

~~a. Services of doctors and health care professionals.~~

~~b. Services of health care facilitators.~~

~~c. Medical insurance premiums, including premiums paid for long-term care insurance.~~

~~d. Prescription medicines.~~

~~e. Transportation to and from treatment facilities.~~

~~f. Dental expenses (including the costs of obtaining/repairing dentures).~~

~~g. Eyeglasses, hearing aids, batteries.~~

~~h. Live-in attendant or periodic medical assistance.~~

~~i. Monthly payment(s) on accumulated medical bills.~~

~~j. Costs associated with the use of a service animal trained to assist persons with physical disabilities. Grooming parlor expenses associated with luxury-type care, and costs incurred for boarding an animal when not in use are excluded.~~

~~If a family is eligible for a deduction for both medical expenses and handicap assistance expenses, the three percent of annual income must first be deducted from the handicap assistance expenses. Any remainder is then deducted from total medical expenses.~~

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IV. GUIDELINES FOR IMPUTING INCOME FROM ASSETS

These guidelines are to be **used only if the total family assets are greater than $50,000**.

EXHIBIT D. ~~SCHEDULE OF FLAT RENTS~~ INCOME BANDS AND GROSS RENT TABLE for the WIN RENT PROGRAM

~~*Revised 02/12/2026*~~

Income Bands and Gross Rent Table for the WIN~~in~~ Rent Program

Effective January 1, 2027 for new move ins and no sooner than April 1, 2027 for existing households.

Annual Adjusted Gross Income	Monthly Total Tenant Payment (TTP)*
Less than $10,000	$250
~~1,000 - 1,999~~	~~$26~~
~~2,000 - 2,999~~	~~$52~~
~~3,000 - 3,999~~	~~$78~~
~~4,000 - 4,999~~	~~$103~~
~~5,000 - 5,999~~	~~$129~~
~~6,000 - 6,999~~	~~$155~~
~~7,000 - 7,999~~	~~$181~~
~~8,000 - 8,999~~	~~$207~~
~~9,000 - 9,999~~	~~$233~~
10,000 - 12,499	$258
12,500 - 14,999	$323
15,000 - 17,499	$388
17,500 - 19,999	$452
20,000 - 22,499	$517
22,500 - 24,999	$581
25,000 - 29,999	$646
30,000 - 34,999	$775
35,000 - 39,999	$904
40,000 - 44,999	$1,033
45,000 - 49,999	$1,163
50,000 - 54,999	$1,292
55,000 - 59,999	$1,421
60,000 - 64,999	$1,550
65,000 - 69,999	$1,679
70,000 - 74,999	$1,808
75,000 and above	31% of Total Gross Monthly Income

*The above table represents Total Tenant Payment amounts under the WIN Rent program ONLY, as detailed in this ACOP. In general, the actual Tenant Rent due is equal to the TTP (above), less any applicant SWHA established Energy Assistance Supplement for the unit.

~~However, Tenant Rent will not be reduced below the established~~ ~~Minimum Rent of $250.~~

For households with income equal to $75,000 or more, the TTP is equal to 31% of the household's total Gross Monthly Income.

In limited circumstances, SWHA hasmay entered into mixed finance operating agreements under the Low Income Housing Tax Credit program (LIHTC). Where LIHTC regulations limit the amount of rent that can be charged to a resident to an amount below that show above (and calculated according to WIN Rent program policies), the ~~low~~er LIHTC r~~ent~~ maximum will be applied.

~~**SEDRO-WOOLLEY HOUSING AUTHORITY**~~

~~**Effective January 1, 2026**~~

~~**Bedroom Size**~~	~~**1 Bedroom**~~	~~**2 Bedroom**~~	~~**3 Bedroom**~~	~~**4 Bedroom**~~
~~Flat Rent *~~	~~$1,049~~	~~$1,376~~	~~$1,914~~	~~$2,080~~

~~*Flat Rents are calculated at an amount equal to 80% of the HUD published FMR for the Mount Vernon-Anacortes, WA Metropolitan Statistical Area (MSA)~~

~~A Family choosing the Flat Rent option will pay rent equal to the amount above (for their corresponding sized unit)~~ ~~**less the applicable utility allowance for the respective dwelling.**~~

~~Flat Rent amounts will be updated annually based on revisions to the HUD published FMR.~~

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EXHIBIT F. *Reserved*

Revised 02/12/2026

EXHIBIT G. ACCEPTABLE FORMS OF VERIFICATION

Revised 06/14/2023

I. INCOME VERIFICATION

Up-front verification of income through EIV will be used when possible to verify or validate tenant reported income for both annual and interim reviews of family income and composition. When EIV is not available or disputed, or when verifying data for initial housings or to determine applicant eligibility, verification from other sources will be used as described in Section 8 of this policy and as outlined below:

A. Employment Verification

All employment verification forms must provide the following information:

1. Date of hire;
2. Frequency of pay and effective date of the last pay increase;
3. Probability and effective date of any increase during the next 12 months;
4. Bonus, commission, and tip amounts, if applicable; and,
5. Manager signature and telephone number

Forms of verification, in order of acceptability, include:

1. **Up-Front Income Verification through a HUD system**

   The verification of income before or during a family reexamination, through a HUD system (i.e., EIV) that systematically and uniformly maintains income information in computerized form for a number of individuals.

2. **Up-Front Income Verification through a Non-HUD system**

   The verification of income before or during a family reexamination, through a Non-HUD system (i.e., Employment Security) that systematically and uniformly maintains income information in computerized form for a number of individuals.

3. **Written Third Party**

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D. Interest Income from Sale of Real Property Pursuant to a Purchase Money Mortgage, Installment Sales Contract, or Similar Arrangement.

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the applicant is NOT sufficient since appropriate breakdowns of interest and principal are not included.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

E. Rental Income from Property Owned by Applicant.

(Owners must adjust these amounts for changes expected during the next 12 months.)

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent checks, leases, or utility bills.
3. Documentation of applicant's income and expenses in renting the property (tax statement, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense.)
4. Lessee's written statement identifying monthly payments due the applicant and applicant's affidavit as to net income realized.

III. VERIFICATION OF DEDUCTION/ALLOWANCES

~~**A. Full time student status**~~

~~1. Written verification from the registrar's office or appropriate school official.~~

~~a. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the school.~~

~~B.~~A. **Child Care Expenses**

1. Written verification from the person who receives the payments.
   a. If child care is provided by a licensed business, verification on its letterhead stationery will be acceptable.
   b. If child care is provided in a private home (i.e. friend, relative), written notarized verification will be required.
   c. If verification required in (a) or (b) above is not available, copies of tax returns or actual bills and receipts indicating amount paid may be used.

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