

RESOLUTION NO. _____

**APPROVAL OF REVISIONS TO THE PUBLIC HOUSING ADMISSIONS AND
CONTINUED OCCUPANCY POLICY**

Item No. 5f

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that Public Housing providers adopt an Admissions and Continued Occupancy Policy (ACOP) to set local policies for the administration of the program in accordance with HUD requirements and local priorities; and

WHEREAS, the ACOP and any revisions to said document must be formally adopted by the Louisville Metro Housing Authority (LMHA) Board of Commissioners; and

WHEREAS, LMHA finds it necessary to revise the existing ACOP to administer the program in a more effective and efficient manner and to remain in compliance with HUD rules and regulations; and

WHEREAS, the LMHA is proposing revisions to the following sections of the LMHA ACOP: "Taking Applications" (Section 7.0), "Eligibility for Admission" (Section 8.1); "Tenant Selection and Assignment Plan" (Section 10.1); "Income, Exclusions, and Deductions from Income" (Section 11.2 and 11.3); "Verification" (Section 12.2 and 12.9); "Determination of Total Tenant Payment and Tenant Rent" (Section 13.4); "Recertifications" (Section 15.0, 15.1, 15.6, and 15.7); "Inspections" (Section 17.11), "Fair Market Rent Schedule, Flat Rent Schedules, and Standard Medical Deduction" (Appendix D); and

WHEREAS, the full text of the proposed revisions is given as an attachment to this resolution; and

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WHEREAS, these proposed revisions were made available for public comment from March 5, 2020 through April 4, 2020 and a public hearing was held on March 19, 2020; and

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Public Housing Program Admissions and Continued Occupancy Policy for LMHA owned properties are adopted.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF REVISIONS TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY

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I. STATEMENT OF FACTS:

LMHA reviews its Public Housing Admissions and Continued Occupancy Policy (ACOP) to ensure that the admissions and occupancy policies described therein are compliant with the latest rules and regulations issued by HUD and that the Public Housing Program is operated in a manner that is effective, efficient, and beneficial to residents. To that end, LMHA is now proposing the following changes to its ACOP (see Attachment A):

- “Taking Applications”
 - Section 7.0 – Delete properties that are no longer family developments or elderly only developments and include St. Catherine Court as an Elderly and Disabled Property. Delete reference to Beecher Terrace Sober Living Units.
- “Eligibility Criteria”
 - Section 8.1 – Delete reference to Beecher Terrace Sober Living Units and include the Friary and H. Temple Spears as scattered site units.
- “Tenant Selection and Assignment Plan”
 - Section 10.1 – Delete reference to Elderly Only housing.
- “Income, Exclusions, and Deductions from Income”
 - Section 11.2 -- Exclude temporary, nonrecurring, or sporadic earnings from the US. Census Bureau.
 - Section 11.3 -- Increase medical deductions from \$1,600 flat rate to a rate equal to the annualized amount of the Medicare monthly premium adjusted annually for inflation (\$1,735 for FY2021).
- “Verification”
 - Section 12.2 – Delete \$1,600 as standard medical deduction.
 - Section 12.9 – Delete reference and redundant language
- “Determination of Total Tenant Payment and Tenant Rent”
 - Section 13.4 – Update language to reflect Moving to Work activity regarding procedure for calculating flat rent (every 5 years unless increases of more than 5% from one year to the next occur) and that the schedule at the time of recertification is applicable.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF REVISIONS TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY

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I. STATEMENT OF FACTS (cont'd):

- “Recertifications”
 - Section 15.0 – Allow for at least biennial reexaminations of family income and circumstances.
 - Section 15.1 – Outline schedule of reexamination and consolidate repeating sections of reexamination.
 - Section 15.6 – Update language to include income consideration for addition or removal of family member.
 - Section 15.7 – Update policy on zero income to mandate reexamination every 90 days.
- “Inspections”
 - Section 17.11 – Include HUD mandated language related to minimum heating standards.
- “Appendix D: Fair Market Rent Schedule, Flat Rent Schedule, and Standard Medical Deduction”
 - Include calculation of Standard Medical Deduction (\$1,735 for FY2021).

II. ALTERNATIVES:

- a. Approve the revisions to the ACOP in full.
- b. Approve the revisions to the ACOP in part.
- c. Do not approve the revisions to the ACOP.

III. RECOMMENDATION:

Staff recommends Alternative “A”.

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IV. JUSTIFICATION:

HUD requires that Public Housing providers adopt a written Admissions and Continued Occupancy Policy that establishes local policies for administration of the program. This document guides staff in administering the Public Housing Program and informs residents and the general public of the Housing Authority's admissions and occupancy policies.

Submitted by: Heath Rico-Storey
Compliance Manager
April 21, 2020

Attachment A

CHANGES TO LOUISVILLE METRO HOUSING AUTHORITY ADMISSIONS AND CONTINUED OCCUPANCY POLICY

[...]

7.0 TAKING APPLICATIONS

[...]

Central Waiting List

Families wishing to reside in any of the following developments should make an application through the LMHA's central waiting list:

1. Family Developments: ~~Beecher Terrace (excluding substance-free units, which have a separate site-based waiting list) and~~ Parkway
- ~~2. Elderly-Only Developments (62+): St. Catherine Court (Head of household, co-head, or spouse must be at least 62 years of age. No household member may be under the age of 55.)~~
- ~~3~~ 2. Developments Designed for the Elderly and Disabled: Avenue Plaza, Will E. Seay Plaza, Dosker Manor, Lourdes Hall, **and St. Catherine Court** (Head of household, co-head, or spouse must be disabled or 55 years of age or older; no member of the household may be under the age of 18).

[...]

Site-Based Waiting Lists

[...]

~~Families wishing to reside in designated sober living housing at Beecher Terrace (Buildings 32-36) must also make application through a separate site-based waiting list. All family members must be willing to live alcohol and drug free. Applicants should contact:~~

~~**Jefferson Alcohol and Drug Abuse Center**
600 S. Preston St.
Louisville, KY 40202
Phone: (502) 583-3951
Website: www.jadac.org~~

[...]

8.0 ELIGIBILITY FOR ADMISSION

8.1 *ELIGIBILITY CRITERIA*

[...]

~~G. — Eligibility for Beecher Terrace Sober Living Units~~

~~To be eligible for residency in Buildings 32—36 of the Beecher Terrace development, residents must sign a lease addendum agreeing that no member of their household or guest will use, possess, manufacture, distribute, or sell any illegal drug or controlled substance, and that they will not bring, cause, or allow others to bring any alcoholic beverage into their unit or onto the premises.~~

~~Families interested in applying for or transferring to a sober living unit should contact the Jefferson Alcohol and Drug Abuse Center directly for additional eligibility and screening requirements (See Section 7.0 for contact information).~~

[...]

H. Eligibility for Scattered Site Units

The LMHA’s internal Scattered Site Unit Referral List includes a variety of single- and multi-family units across a number of developments, including (but not limited to) ~~the Friary, H. Temple Spears~~, the Liberty Green Community Center, Neighborhood Stabilization Program (NSP) units, Newburg, St. Francis, Stephen Foster, and Village Manor.

[...]

10.0 TENANT SELECTION AND ASSIGNMENT PLAN

10.1 PREFERENCES

[...]

Buildings Designed for the Elderly (55+) and Disabled (Mixed Population Developments): Avenue Plaza, William E. Seay Plaza, Dosker Manor, Lourdes Hall, The Weathers Building (Park DuValle), and St. Catherine Court have been designed to meet the needs of the elderly (55+) and disabled. Preference will be given to elderly and disabled families. If there are no elderly or disabled families on the list, preference will then be given to near-elderly families. All such families will be selected from the waiting list using the preferences as outlined above. No person under the age of 18 is eligible to reside in these developments. Residents in mixed designated housing may not add persons who are not elderly and/or not disabled to an existing lease ~~(except a spouse or a live-in aid)~~.

~~**Elderly-Only (62+) Housing:** In filling vacancies in these developments, first priority will be given to elderly families. If there are no elderly families on the list, next priority will be given to those age 55 or over. Using these priorities, families will be selected from the waiting list using the preferences as outlined above. Residents in elderly-only designated housing may not add persons who are not elderly to an existing lease (except a spouse or a live-in aid).~~

[...]

11.0 INCOME, EXCLUSIONS, AND DEDUCTIONS FROM INCOME

[...]

11.2 ANNUAL INCOME

[...]

6. Temporary, nonrecurring or sporadic income (including gifts); **under this exclusion¹, PHAs exclude temporary income payments from the U.S. Census Bureau, defined as employment lasting no longer than 180 days per year and not culminating in permanent employment;**

[...]

11.3 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent;
- B. \$525 for any elderly (62+) or disabled family²;
- C. **Either \$1,600 An amount equal to the Medicare monthly premium multiplied by 12 and adjusted annually for inflation (See Appendix D) for any elderly (62+) or disabled family or the sum of the following, to the extent the sum exceeds ten percent of annual income⁴:**

[...]

12.0 VERIFICATION

[...]

12.2 TYPES OF VERIFICATION

[...]

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
General Eligibility Items		
[...]	[...]	[...]
Medical expenses (For elderly (62+) and/or disabled residents, only applicable if resident is claiming expenses above \$1,600 standard medical deduction)	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance, or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
[...]		

¹ pursuant to Section 24 CFR 5.609(c)(9)

² Pending final HOTMA approval; Current deduction \$400 and 3% of annual income.

[...]

12.9 TEMPORARY COMPLIANCE ASSISTANCE³

~~In PIH Notice 2013-03, HUD granted the LMHA some temporary, needed administrative burden relief. The Housing Authority is hereby adopting the following allowable relief activity:~~

[...]

13.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT

[...]

13.4 THE FLAT RENT⁴

The LMHA has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its age, condition, amenities, services, and neighborhood. The Housing Authority determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated ~~annually and adjustments applied every five years except when the average flat rents for all bedroom sizes increase more than 5% from one year to the next.~~ Affected families will be given a 30-day notice of any rent change. Adjustments are applied at the end of the annual lease (for more information on flat rents, see Section 15.3). ~~The flat rent schedule in effect at the time of recertification will be applied.~~

[...]

15.0 RECERTIFICATIONS

~~Except in the case of disabled families and families where the head of household, co-head, or spouse is age 55 years or older,~~ At least ~~biennially⁵~~ ~~annually~~, the LMHA will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay; and (2) whether the family is housed in the correct unit size.

[...]

15.1 REEXAMINATIONS¹

~~A. Annual Reexaminations~~

~~The LMHA will send a notification letter to the disabled family or family where the head of household, spouse, or co-head is age 55 or older letting them know that it is time for their biennial reexamination and scheduling an appointment. The letter includes forms for the family to complete in preparation for the interview, as well as instructions permitting the family to reschedule the interview if necessary. The~~

³ MTW Activity 2020-1: Rent Simplification

⁴ MTW Activity 2020-2: Streamlined flat rent.

⁵ MTW Activity 2007-1: Streamlined recertification

letter tells families that they may contact staff to request a reasonable accommodation, if needed to complete the reexamination process.

[...]

The following schedule will apply:

Frequency	Family description
90 days	Household who report zero income
Biennially	All public housing households
Triennially	Households who choose flat rent.

The LMHA will send a notification letter to the family letting them know that it is time for their biennial reexamination and scheduling an appointment. The letter also includes forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter tells families that they may contact staff to request a reasonable accommodation, if needed to complete the reexamination process.

During the appointment, the LMHA will determine whether any change in family size or composition requires a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list.

Each household will also be asked whether any member is subject to a registration requirement of any duration under a state registration program. The Housing Authority will verify this information using the Dru Sjodin National Sex Offender Database and document this information in the same method used at admission. For any admissions after June 25, 2001 (the effective date of the Screening and Eviction for Drug Abuse and Other Criminal Activity final rule), if the recertification screening reveals that the tenant or a member of the tenant's household is subject to a sex offender registration requirement of any duration, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification forms, the Housing Authority will pursue eviction of the household.

If a family is about to be evicted from housing based on either the criminal check or the sex offender registration program, the applicant will be informed of this fact and given an opportunity to dispute the accuracy of the information before the eviction occurs.

~~B. Biennial Reexaminations for Disabled Families and Families Where Head of Household, Co-Head, or Spouse Is Age 55 or Older~~

[...]

15.6 INTERIM REEXAMINATIONS

[...]

Families are required to report the following changes to the LMHA between regular reexaminations within ten calendar days of their occurrence. These changes will trigger an interim reexamination to include counting any income received by the addition of a family member or income lost by the removal of a family member.

A. A member has been added to the family through birth or adoption or court-awarded custody.

B. [...]

15.7 SPECIAL REEXAMINATIONS

If a family's income is too unstable to project for twelve months, including families that temporarily have no income (\$0 renters) or have a temporary decrease in income, the LMHA ~~may~~ will schedule special reexaminations every ninety calendar days until the income stabilizes and an annual income can be determined.

17.0 INSPECTIONS

[...]

17.11 MINIMUM HEATING STANDARDS⁶

LMHA shall use the following minimum heating requirements for public housing dwelling units:

- If the temperature in a unit is LMHA-controlled, the minimum temperature in each unit must be at least 68 degrees Fahrenheit.
- If the temperature in a unit is tenant-controlled, then the heating equipment must have the capability of heating to at least 68 degrees Fahrenheit.
- LMHA has the flexibility in maintenance of the indoor temperature when the outdoor temperature approaches the design day temperature—the lowest expected outdoor temperature that a heating system is designed to accommodate and still maintain the desired indoor temperature of 68 degrees.
- At no point should indoor temperatures in occupied space drop below 55 degrees Fahrenheit. This flexibility applies when at least one of the below criteria are met:
 - The outside temperature reaches or drops below the design day temperature, or
 - The outside temperature is within five degrees Fahrenheit of the design day temperature for more than two continuous days.
- Temperature measurements must be taken three feet above the floor and two feet from an exterior wall in a habitable room

⁶ While Louisville Metro Council Ordinance 151.29(A)(5) requires landlords to supply reasonable heat between October 1 and May 1, HUD requirements are the stricter policy; PIH 2018-19, "Housing Opportunity through Modernization Act of 2016 (HOTMA) – Implementation of Minimum Heating Standards in Public Housing Properties.

[...]

APPENDIX D: FAIR MARKET RENT SCHEDULE, FLAT RENT SCHEDULE, AND STANDARD MEDICAL DEDUCTION

FAIR MARKET RENT SCHEDULE⁷ (Effective January 1, 2020)

Number of Bedrooms	Fair Market Rent
0	\$614
1	\$713
2	\$872
3	\$1,174
4	\$1,331

FLAT RENT SCHEDULE⁸ *For Developments Where LMHA Pays Utility Costs on Tenant's Behalf* (Effective January 1, 2020)

Number of Bedrooms	Flat Rent FY2020
0	\$481
1	\$550
2	\$682
3	\$926
4	\$1,045

STANDARD MEDICAL DEDUCTION⁹ (Effective upon approval of Moving to Work FY2021 Plan)

⁷ HUDUser. FY2020 Louisville, KY-IN HUD Metro FMR Area FMRs for All Bedroom Sizes.

⁸ PIH Notice 2017-23 (HA).

⁹ <https://www.medicare.gov/your-medicare-costs/part-b-costs>

For calendar year 2020, the monthly Medicare/Medicaid Part B premium for individual tax return of \$87,000 or less or joint tax return of \$174,000 or less:
\$144.60/month or \$1,735/year