

**CHAPTER 3.**  
**APPLICATION, PREFERENCE AND ADMISSION PROCESS**  
**[24 CFR 982.204]**

The policy of the OPHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an initial application for assistance, placement, and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the OPHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Plan.

**A. APPLICATION PROCESS**

Families who wish to apply for any of the Oak Park Housing Authority's programs must complete a written application form, when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability.

The application process will involve four phases.

1. The first phase is the submission of an "initial" application for assistance (referred to as a pre-application). The OPHA may allow or require pre-applications to be submitted electronically.
2. The second phase is the pre-determination of eligibility. The OPHA will perform a preliminary review to determine the family's preference. Verification of the preference may be conducted at this time as well.
3. The third phase, following the verification of eligibility for preference, is the placement on the waiting list of families determined to be eligible according to preference category.
4. The fourth phase is the "final determination of eligibility" (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At this time, the OPHA ensures that verification of all HUD and OPHA eligibility factors are current in order to determine the family's final eligibility for the issuance of a Voucher.

**B. OPENING/CLOSING OF APPLICATION TAKING** [24 CFR 982.206, 982.54(d)(1)]

**1. Reopening the Waiting List**

When the waiting list is open to applicants, the OPHA will publish a notice on its website and in local newspapers of general circulation, minority media, electronic media, as well as other suitable media outlets. The notice will comply with HUD fair housing requirements and will state where and when to apply, along with any limitations on who may apply. The OPHA will announce the reopening of the waiting list at least 10 business days prior to the date pre-applications are accepted. If the list opening is only applicable to certain categories of families, this information will be contained in the notice.

The OPHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Village of Oak Park Community Services and Health Departments,
- Oak Park Township Office,
- Oak Park Regional Housing Center,
- Oak Park Residence Corporation,
- Oak Park/River Forest Family Services,
- Oak Park/River Forest Chamber of Commerce,
- Hephzibah Children's Association,
- Progress Center for Independent Living
- Village of Oak Park Newsletter
- Thrive
- Housing Forward
- Oak Park School Districts
- Local newspapers (including minority media).

The notice will contain the program for which pre-applications will be taken; a brief description of the program; the dates, times, and locations where families may apply; and limitations, if any, on who may apply. It will also provide the OPHA address and telephone number, how to submit a pre-application, information on eligibility requirements, and the availability of preferences.

## **2. Maintaining the Waiting List**

The OPHA means to ensure that families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family or made to any family prematurely. By maintaining an accurate waiting list, the OPHA will be able to perform the activities which ensure that an adequate pool of qualified applicants is available so that program funds are used in a timely manner.

### **a. Waiting List Guidelines**

The waiting list will be maintained in accordance with the following guidelines:

- 1) The pre-application will be a permanent file.

- 2) Pre-applications will be ordered and maintained by a random selection process (lottery).
- 3) All applicants must meet "Very Low Income" eligibility requirements as established by HUD. Any exceptions to these requirements, other than those indicated under Program Eligibility must have been approved previously by the HUD Field Office.

**b. Exception to Waiting List Guidelines**

If the OPHA receives a number of pre-applications that it is unable to serve within 5 years, the OPHA has the approval of HUD to randomly select no more than 2,000 pre-applications to be placed on its waiting list. The applicants will be selected and maintained in accordance with the following guidelines that have been approved by HUD.

- 1) The OPHA will randomly select a number of applicants who have claimed a Residency Preference on their pre-application.
- 2) The OPHA will randomly select a number of applicants who have not Claimed a Residency Preference on their pre-application.
- 3) After the OPHA has obtained the applicants through random selection, the OPHA will randomly sort the applicants and service them in that order.

Proof of the claimed Residency Preference at the time the pre-application was submitted will be required by the OPHA at the time of the pre-determination of eligibility, prior to placement on the waiting list. If the applicant cannot prove that they qualified for a Residency Preference at the time the pre-application was submitted, the OPHA will deny placement on the waiting list..

**c. Removal from Waiting List and Purging** [24 CFR 982.204 (c)]

If an applicant fails to respond to any mailing from the OPHA within 14 days from the date of the letter, the applicant will be sent a second letter, delivered by first class mail, informing them of their impending removal from the waiting list. If there is no response to the second letter within 30 days from the date of the letter, they will be removed from the waiting list. A third letter will be mailed indicating the reason for their removal and how to request an Informal Review.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

The waiting list will be purged, as necessary, by a mailing to all applicants to ensure that the list is current and accurate. The mailing will ask for current information and confirmation of continued interest. The same guidelines will be used for failure to respond to this mailing.

### **3. Closing the Waiting List**

The OPHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where the OPHA has particular preferences or funding criteria that require a specific category of family, the OPHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

The OPHA will announce the closing of the waiting list by public notice in the same way as opening the waiting list.

### **4. Reopening the Waiting List**

Any time that there are not enough applicants, the OPHA may reopen the waiting list. The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months. When the period for accepting pre-applications is over, the OPHA will add the new applicants to the waiting list by separating the new applicants into groups based on the random selection and sort.

## **C. PREFERENCES AND INCOME TARGETING**

### **1. Local (Residency) Preference** [24 CFR 982.207]

The OPHA will offer a preference to any family that has been terminated from its HCV Program due to insufficient program funding.

The OPHA will not apply a system of preferences, but has established only one local preference, residency in the OPHA jurisdiction: preference for families who live, work for 30 hours or more, or have been hired to work for 30 hours or more, in the Village of Oak Park.

An applicant will not be granted any preference if any member of the family has been evicted from any housing assistance under a 1937 Housing Act Program during the past three years because of drug-related criminal activity. The OPHA will grant an exception to a family if:

- a. The responsible member has successfully completed a rehabilitation program.

- b. The evicted person clearly did not participate in or know about the drug related activity.

If an applicant makes a false statement in order to qualify for a preference, the OPHA will deny placement on the waiting list and/or admission to the program for the family.

## **2. Initial Determination of Local Preference Qualification** [24 CFR 982.207]

At the time of pre-application, and prior to placement on the waiting list, an applicant's eligibility for a local preference may be made on the following basis.

The information provided by the applicant indicates that they qualify for the Local Preference based on the fact that they:

- 1) have residency in the OPHA jurisdiction; and/or
- 2) work for 30 hours or more in the OPHA jurisdiction; and/or
- 3) have been hired to work for 30 hours or more, in the OPHA jurisdiction.

The preference will be verified by OPHA at the time of the pre-determination of eligibility, prior to placement on the waiting list.

If the preference verification indicates that an applicant did not qualify for the preference at the time the pre-application was submitted, the applicant will be denied placement on the waiting list, though they will be offered an opportunity for an Informal Review.

## **3. Treatment of Single Applicants**

Single applicants will be treated as any other eligible family on the waiting list.

## **4. Income Targeting**

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year the OPHA will reserve a minimum of seventy-five percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as "extremely low-income families." The OPHA will admit families who qualify under the Extremely Low-Income limit to meet the income targeting requirement.

## **5. Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may not affect the family's entitlement to a preference. Applicants are required to notify the OPHA in writing when their circumstances change.

When an applicant is eligible for a local preference, their position on the waiting list will not be affected (it will remain the same), by a subsequent change in residency and/or location of employment.

If the family's initial and verified annual income, at pre-determination and full application eligibility determination, does not fall under the Extremely Low-Income limit and the family was selected for income targeting purposes before a family(ies) with a higher preference, the family will be returned to the waiting list.

#### **6. Exceptions for Special Admissions** [24CFR 982.203, 982.54(d)(3)]

If HUD has awarded or awards program funding that is targeted for specifically named families, the OPHA will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. OPHA maintains separate records of these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- a. A family displaced because of demolition or disposition of a public or Indian housing project;
- b. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
- c. For housing covered by the Low-Income Housing Preservation and Resident Homeownership Act of 1990;
- d. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
- e. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

The OPHA will admit families under Special Admission procedures who are applying for its Mainstream Housing Opportunity for Person with Disabilities Program who are chronically homeless (maximum of 5) and to its Non-Elderly Persons with Disabilities/Nursing Home Transition (NED/NHT) Program (maximum of 15). The OPHA may receive referrals from Housing Forward (formerly known as PADS, Public Action to Deliver Shelter) or its affiliate and the State of Illinois' Department of Healthcare and Family Services or its affiliate to fill vacancies in these programs.

The OPHA will admit families under Special Admission procedures who are applying for its Fostering Youth to Independence (FYI) Program who are between the ages of 18-24 and who are aging out of the foster care system or who have aged out of the foster care system and who are experiencing homelessness or who are at imminent risk of experiencing homelessness (maximum of 15). The OPHA may receive FYI referrals from the Illinois Department of Children and Family Services (IDCFS), Hepzibah Children's Association (HCA), and/or the Suburban Cook County Continuum of Care (CoC), and/or their respective affiliates, to fill vacancies in this program.

#### **7. Targeted Funding** [24CFR 982.203]

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria.

#### **8. Other Housing Assistance** [24 CFR 982.205(b)]

Other housing assistance means a federal, State or local housing subsidy, as determined by HUD, including public housing.

The OPHA may not take any of the following actions because an applicant has applied for, received, or refused other housing:

- a. Refuse to list the applicant on the OPHA waiting list for tenant-base assistance;
- b. Deny any admission preference for which the applicant is currently qualified;
- c. Change the applicant's place on the waiting list based on preference, date and time of application, or other factors affecting selection under the OPHA selection policy; or
- d. Remove the applicant from the waiting list.

### **D. PRE-APPLICATION PROCESS** [24 CFR 982.204 (b)]

#### **1. Information to be Obtained**

The OPHA may utilize a preliminary application form (pre-application). The information is to be filled out by the applicant whenever possible.

The purpose of the pre-application is to permit assessment of family eligibility or ineligibility and to determine placement on the waiting list. The pre-application may contain questions to obtain the following information:

- \* Name and age of all household members
- \* Family unit size
- \* Sex and relationship of all members
- \* Street address and telephone numbers
- \* Email address
- \* Amount(s) and source(s) of income received by household members
- \* Information regarding disabilities relating to program requirements (i.e., deductions)
- \* Information related to qualification for residency preference
- \* Social Security Numbers
- \* Race/ethnicity
- \* Citizenship/Eligible Immigration Status
- \* Date and time of pre-application

Duplicate pre-applications with the same Head of Household or Spouse will not be accepted.

The information provided may be verified if the family is randomly selected to potentially be placed on the waiting list. Final eligibility will be determined when all information is verified, prior to any potential placement on the waiting list.

## **2. Changes in Status**

Applicants are required to inform the OPHA in writing of changes in family composition, income, and address. Applicants are also required to respond to requests from the OPHA to update information on their pre-application, or to determine their continued interest in assistance.

Failure to provide information or to respond to mailings will result in the applicant being notified in writing of their removal from the waiting list (as described earlier in Removal from the Waiting List and Purging).



### **3. Time of Selection**

Applicants are selected by their position on the waiting list as determined by the random selection and sort. When funding is available, families will be selected from the waiting list in date sequence, regardless of family size subject to income targeting requirements.

When there is insufficient funding available for the family at the top of the list, the OPHA will not admit any other applicant until funding is available for the first applicant. Applicants will not be passed over on the waiting list.

Based on the OPHA's turnover and the availability of funding, groups of families may be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on waiting list sequence/completion of verification.

### **4. Notification of Applicant Status**

The family is notified of the review and selection of their pre-application by first class mail. The family may be also notified by email. The notice will request information to determine preference and income eligibility. If the pre-determination of eligibility finds the family eligible, the family will be notified by first class mail of their initial eligibility. The notice will include the approximate length of time it may take before assistance may be offered.

If the family is determined to be ineligible based on the information provided, the OPHA will notify the family of its ineligibility and their removal from the waiting list, in writing, state the reason(s), and inform them of their right to an Informal Review.

Failure to provide information or to respond to mailings will result in the applicant being notified in writing of their removal from the waiting list (as described earlier in Removal from the Waiting List and Purgings).

## **E. COMPLETION OF A FULL APPLICATION**

When a group of families is selected from the waiting list, a full application / Personal Declaration form is mailed to each applicant to complete in their own handwriting, unless assistance is required.

Residency preference claimed may be verified after the family has completed this application. The qualification for preference must exist at the time of pre-application regardless of the length of time an applicant has been on the waiting list. All adult members must sign the form HUD-9886 (Authorization for Release of Information), form HUD-92006 (Supplement to Application for Federally Assisted Housing), declarations and consents related to citizenship/immigration status, and other documents required by

the OPHA. Applicants will be required to sign specific verification forms for information, which is not covered by the HUD form 9886, and any other documents required by the OPHA. Failure to provide necessary certifications and releases will be cause for denial of the application. The applicant will be notified in writing and offered an opportunity to request an Informal Review.

Information provided by the applicant will be verified using the verification procedures outline in section F of this chapter. Verifications may not be more than 60 days old at the time of Voucher issuance.

If the OPHA determines that additional information or document(s) are needed, the document(s) or information will be requested in writing. The family will be given 14 days to supply the information. Extensions of time for these additional documents may be given upon request. If the information is not supplied in the time period, the OPHA will provide the family a notification of denial for assistance. The applicant will be notified in writing and offered an opportunity to request an Informal Review.

**F. VERIFICATION PROCESS** [24 CFR Part 5, Subparts B, D, E and F; 24 CFR 982.158; 24 CFR 5.617]

HUD regulations require that the factors of eligibility and Total Tenant Payment/family share be verified by the OPHA. OPHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third-party verifications are not possible as to why third-party verification was impossible to obtain.

Applicants and program participants must furnish proof of their statements whenever required, and the information they provide must be true and complete. The OPHA's verification requirements are designed to maintain program integrity. The OPHA will obtain proper authorization from the family before requesting information from an independent source.

Specific information on verification procedures may be found in the Procedural Manual.

**1. Methods of Verification and Time Allowed**

Information will be verified using the four methods acceptable to HUD in the following order:

- a. HUD's Enterprise Income Verification (EIV) whenever possible
- b. Third-Party Written
- c. Third-Party Oral
- d. Review of Documents
- e. Certification/Self-Declaration

Whenever possible, the OPHA will be provided with EIV for program participants with income.

Three weeks will be allowed for return of third-party verifications and 2 weeks to obtain other types of verifications before going to the next method.

For applicants, verifications may not be more than 60 days old at the time of Voucher issuance. For participants, they are valid for 120 days from date of receipt.

## **2. Release of Information** [24 CFR 5.230]

Adult family members will be required to sign the form HUD-9886 Release of Information/Privacy Act form.

The family will be required to sign specific authorization forms when information is needed that is not covered by the form HUD-9886, Authorization for the Release of Information/Privacy Act Notice.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by OPHA or HUD.

## **3. Items to be Verified** [24 CFR 982.516]

- \* All income not specifically excluded by the regulations.
- \* Zero-income status of household.
- \* Full-time student status including High School students who are 18 or over.
- \* Current assets including assets disposed of for less than fair market value in preceding two years.
- \* Child care expense where it allows an adult family member to be employed or to actively seek work, or to further his/her education.
- \* Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- \* Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allow an adult family member to be employed.

- \* Legal Identity
- \* Drug related or other criminal activity.
- \* Eligible immigrant status.
- \* Social Security Numbers for all family members 6 years of age or older.
- \* Preference (Residency) status
- \* Familial/marital status when needed for head or spouse definition
- \* Disability for determination of allowances or deductions.

Verification of Reduction in Benefits for Noncompliance:

The OPHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

#### **4. Final Determination and Notification**

After the verification process is completed, the OPHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the OPHA, and the current eligibility criteria in effect. If the family is determined to be eligible, the OPHA will notify them of their eligibility. A briefing will be scheduled for the issuance of a Voucher and the family's orientation to the Housing Choice Voucher Program.

If the family is determined to be ineligible for the programs, the OPHA will notify the family in writing, state the reason(s), and inform them of their right to an Informal Review.

#### **G. SUBSIDY STANDARDS** [24 CFR 982.54(d)(9)]

HUD guidelines require that OPHA establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards.

In this section the subsidy standards are explained, which will be used to determine the voucher size (family unit size) for various sized families when they are selected from the

waiting list, as well as the OPHA's procedures when a family's size changes, or a family selects a unit size that is different from the Voucher.

**1. Guidelines for Determining Family Unit (Voucher) Size** [24 CFR 982.402]

The OPHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The OPHA's subsidy standards for determining Voucher size shall be applied in a manner consistent with Fair Housing guidelines.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements. The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

Generally, the OPHA assigns one bedroom to two people within the following guidelines:

Separate bedrooms should be allocated for persons of the opposite sex, (other than adults who have a spousal relationship and for very young children, generally, 5 years or younger).

Three very young children may occupy the same bedroom until one of the children reaches the age of 5 years old.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

Two minor children of the same sex, regardless of age difference are required to share one bedroom.

Foster children will be included in determining unit size only if they will be in the unit for more than 12 months.

Space may be provided for a child who is away at school but who lives with the family during school recesses.

Adults of different generations will have separate bedrooms.

A single pregnant woman with no other family members must be treated as a two-person family.

**GUIDELINES FOR DETERMINING VOUCHER SIZE**

Voucher Size

Number of Persons in Household

Minimum

Maximum

0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	10
5 Bedrooms	6	12
6 Bedrooms	8	14

**2. Exceptions to Subsidy Standard** [24 CFR 982.402 (b)(8)]

The Voucher size is determined prior to the briefing by comparing the family composition to the subsidy standards. If an applicant requires a change in the Voucher size, he/she may submit a request for an exception to the standards. The OPHA shall grant exceptions from the standards if the family requests and it is determined that they are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

Requests based on health-related reasons must be verified by a medical professional and/or social service professional.

**H. TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION** [24 CFR Part 5, subparts E and F, 24 CFR 982.153, 982.551]

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations. Allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP), and the formula for the calculation of TTP are set forth in the Procedural Manual.

**1. Income and Allowances** [24 CFR 5.609]

Income: Includes all monetary amounts which are received on behalf of the family. For purposes of calculating the TTP, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income which is not specifically excluded in the regulations is counted.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions.

HUD has five allowable deductions from Annual Income:

- a. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
- b. 'Elderly' allowance: \$400 per family for families whose head or spouse is 62 or over or disabled.
- c. Allowable medical expenses for all family members are deducted for 'Elderly' families.
- d. Childcare expenses for children under the age of 13 are deducted when childcare is necessary to allow an adult member to work or actively seek employment or attend school.
- e. Expenses for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

## **2. "Minimum Rent" and Minimum Family Contribution**

"Minimum rent": Minimum rent refers to the minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

The OPHA's minimum rent amount is \$50.00

## **3. Financial Hardship Affecting Minimum Rent** [24 CFR 5.630]

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

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

### **a) HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

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

**OPHA's Policy**

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following:

- (i) implementation of assistance, if approved, or
- (ii) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

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

**OPHA's Policy**

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.

- (4) A death has occurred in the family.

**OPHA's Policy**

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

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

**b) Implementation of Hardship Exemption and Determination of Hardship**

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



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

**OPHA's Policy**

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

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

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

**OPHA Policy**

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing and provide supporting documentation. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. The OPHA will make the determination of hardship within 30 calendar days.

**c) No Financial Hardship**

If the OPHA determines there is no financial hardship, the OPHA will reinstate the minimum rent and require the family to repay the amounts suspended.

**OPHA Policy**

The OPHA will require the family to repay the suspended amount within the time frame established in the repayment agreement.

**d) Temporary Hardship**

If the OPHA determines that a qualifying financial hardship is temporary, the OPHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the OPHA the amounts suspended. HUD requires the OPHA to offer a reasonable repayment agreement, on terms and conditions established by the OPHA. The OPHA also may determine that circumstances have changed, and the hardship is now a long-term hardship.

#### OPHA Policy

The OPHA will enter into a repayment agreement in accordance with the procedures found in Chapter 5 of this plan.

### **e) Long-Term Hardship**

If the OPHA determines that the financial hardship is long-term, the OPHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

#### OPHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

### **4. Earned Income Disallowance from Rent Determinations for Persons with Disabilities [24 CFR 5.617; 982.201(b)(3)]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. Eligibility criteria and limitations on the disallowance are summarized below.

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. Previously unemployed includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

**a. Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

**b. Calculation Method**

1. Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

2. Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the OPHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

3. Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.