

B. Comments Regarding Creating and Implementing a Housing Advisory Board

Establishment of a Housing Advisory Committee (HAC) is required when developing the Community Housing Improvement Strategy (CHIS). The committee must consist of representatives appointed by the local Governing body, generally the county commissioners, Mayor or the City Manager. The committee should include at least one neighborhood resident that will not benefit from the program, and should include a cross section of the community, an elected official, and representatives from all social service agencies or organizations with an interest in low and/or moderate income housing (examples include the local housing authority, the local planning department, the community action agency, redevelopment, realtors, bankers, Habitat for Humanity affiliate, etc.).

A detailed analysis of the Census data will be performed. This data will include the type of housing available, rents, vacancies, quality and age of existing housing stock, etc. This data will permit the HAC to prioritize the local housing needs and offer guidance on the development of the policies to address those needs. The HAC will be able to provide information on the local delivery system which includes all agencies and organizations that are currently involved in local housing programs, as well as those previously involved in housing. Supportive services for the mentally ill, substance abusers, elderly, disabled, homeless or other populations must be included in the CHIS information. Because the HAC consists of advocacy group members and service providers, representation from this group is essential in providing input on policy issues and determining an action plan.

An action plan will then be developed with guidance from the HAC that specifically sets forth the prioritized activities as well as how those needs will be addressed and what agency or organization is to provide these services.

2. Income Eligibility

A. Required Elements

The manual must describe the policies and procedures related to income eligibility. The Income Eligibility section must:

- Include a chart showing the appropriate Section 8 Income limits to be used for each activity planned within the five-year period that the manual will be in effect
- Identify the selected definition of income to be used for all activities
- Describe the steps in determining income eligibility
- Describe the procedures to be followed in implementing each step of the eligibility determinations.
- Describe the local guidelines for documentation in verifying income.
- Include a list of eligible sources of income.
- Describe the division of administrative responsibility for each staff position associated with the procedures for assessing income eligibility. (Also see the section on staff roles under Section 10 – A, Activity Design).
- Provide copies of all forms that will be used in the verification process. (Note: these should be placed in Section 11 – A of the manual).

B. Comments Regarding Low and Moderate Income Limits

Low and Moderate Income is defined by HUD as up to 80% of the local area median income (AMI) as computed on the current Section 8 Income Guidelines and based on the number of permanent residents of the household that qualify under the criteria. Lower limits or targeted limits within this range may be advisable or required depending on the funding source and the nature of the activity.

C. Comments Regarding Selecting a Definition of Income

HUD has provided grantees with the flexibility to choose one of three definitions of annual income as defined in 24 CFR 5.609. These three definitions of income and the proper determination of income when using each of them are fully outlined in the 1999 U.S. department of Housing and Urban Development “*Technical Guide for Determining Income and Allowances for the HOME Program.*” OHCP strongly encourages each grantee to obtain a copy of this document and to use it as you develop your local policies and procedures on this section. The three definitions of income are as follows:

- Part 5 Annual Income
- Census Long Form Method (using the 2000 census long form)
- IRS Adjusted Gross Income (as defined for reporting on IRS Form 1040)

D. Comments Regarding Verifying Income

All income from all persons residing in the housing unit must be verified from independent source documentation, commonly called “third party documentation.” All sources of income and assets listed on the application must be verified. The client will be required to sign authorization forms to be mailed to the appropriate source for third party income verification for comparison and to ensure that anticipated income is properly calculated. The date of any and all documents used in verifying income may not be more than 180 days prior to the date of the application for assistance. Income must be projected for 12 months. Applicants shall be required to disclose all assets on the application.

Examples of types of third party documentation for income are provided below:

<u>Type of Income</u>	<u>Documentation</u>
Public Assistance Benefits (OWF, PRC, TANF, SSI, SSD)	Cash issuance history, current determination letter Current bank statement showing direct deposit of benefit
Wages & Salaries (gross, before deductions)	Pay stubs for four most recent pays, employer statement or computer printout of earnings
Self-employment revenue/income	Financial records indicating gross revenues and operating expenses, Signed tax forms & Schedules for the previous two years (contribution to private retirement plans, wages to household members, and property & equipment depreciation are not allowable deductions)
Social Security Benefits	Current Determination letters

Veterans Benefits Bank
Workers Compensation
Government & Private Pensions
Unemployment Benefits

Veterans Benefits Bank Deposit Statements

Alimony & Child Support

Statement from Bureau of Child support, Divorce decree, and child support order

Dividends & Interest

IRS Form 1099, statement from financial institution

Rents & Royalties

IRS Form 1099, rent receipts

Strike Benefits

Letter from Union

E. Comments Regarding Determining Household Size

Household size is determined by counting the number of eligible household members residing in the unit. Individuals generally not counted as household members include: foster children, live in aides and their children, unborn children, and children being pursued for legal custody who are not currently living in the household.

F. Comments Regarding Assets

Every community must have an asset policy that details what funds, and property are considered assets, as well as a limit for determining eligibility. This ensures that those persons without resources are assisted first. Assets are considered to be savings accounts, Certificates of Deposit, stocks, bonds, and other real estate.

G. Comments Regarding Income Documentation Forms

- Be careful on your forms what questions you ask. You must be specific to get good information returned. Avoid asking for average monthly pay.
- OHCP recommends that you design the income verification form so that if a person is paid hourly, the payroll clerk can note both the hourly rate and the number of hours worked per week.
- The form should also request a description of the pay period. For example is pay based on weekly, bi-weekly, monthly, or bi-monthly distribution?
- The form must include a signature line for the person providing the information, as well as a signature line for the applicant.

3. Contractor Selection and Construction Management

A. Required Elements

The manual must describe the policies and procedures related to contractor selection and construction management. The Contractor Selection and Construction Management section must:

- Identify the requirements that local contractors must meet in order to participate in the program and outline the qualification process. See Section 3, B., below, for additional information.
- Describe the policies and procedures for barring poor performing contractors from continuing to participate in the program. Include a discussion of the community's disbarred contractor policy. See Section 3, C., below, for additional information.