

Streamlined Annual PHA Plan (HCV Only PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 03/31/2024
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. The Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.																																			
A.1	<p> PHA Name: <u>Housing Authority of the City of Lafayette</u> PHA Code: <u>IN071</u> PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>04/2024</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Housing Choice Vouchers (HCVs) <u>1,445</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. </p> <p> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below) </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 25%;">Participating PHAs</th> <th style="width: 10%;">PHA Code</th> <th style="width: 25%;">Program(s) in the Consortia</th> <th style="width: 20%;">Program(s) not in the Consortia</th> <th style="width: 20%;">No. of Units in Each Program</th> </tr> </thead> <tbody> <tr> <td>Lead HA:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	Lead HA:																													
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B.	Plan Elements.
B.1	<p>Revision of Existing PHA Plan Elements.</p> <p>a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs. <input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. <input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources. <input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination. <input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management. <input type="checkbox"/> <input type="checkbox"/> Informal Review and Hearing Procedures. <input type="checkbox"/> <input type="checkbox"/> Homeownership Programs. <input type="checkbox"/> <input type="checkbox"/> Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. <input type="checkbox"/> <input type="checkbox"/> Substantial Deviation. <input checked="" type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification.</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each element(s): *See attached</p>
B.2	New Activities. – Not Applicable
B.3	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in its 5-Year PHA Plan. see attached*</p>
B.4	Capital Improvements. – Not Applicable
B.5	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N N/A</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>
C.	Other Document and/or Certification Requirements.
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
C.2	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.4	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing (AFFH).

Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

Fair Housing Goal:
<u><i>Describe fair housing strategies and actions to achieve the goal</i></u>
Strategy: Educate housing authority employee through training and LHA policy.
Action: Attend the Annual Fair Housing Conference and Diversity Strengthens training

Fair Housing Goal:
<u><i>Describe fair housing strategies and actions to achieve the goal</i></u>
Strategy: Management promotes and participant in community groups and hold a leadership positions.
Action: Executive Director is a member of the local Human Rights Commission and attends meetings quarterly. Executive Director attends Indiana Civil Rights Commission conferences

Fair Housing Goal:
<u><i>Describe fair housing strategies and actions to achieve the goal</i></u>
Strategy: Collaborate with other agencies to promote inclusive and tolerance towards historically underrepresented race and ethnicities.
Action: Join the YWCA with the campaign - Stand Against Racism

Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV-Only PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **Number of Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

B. Plan Elements. All PHAs must complete this section. ([24 CFR §903.11\(c\)\(3\)](#))

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

Statement of Housing Needs and Strategy for Addressing Housing Needs. Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR 5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR § 903.7(a)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. ([24 CFR §903.7\(a\)\(2\)\(i\)](#)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA’s reasons for choosing its strategy. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#))

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. ([24 CFR §903.7\(b\)](#))

Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

Rent Determination. A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. ([24 CFR §903.7\(d\)](#))

Operation and Management. A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. ([24 CFR §903.7\(e\)](#)).

Informal Review and Hearing Procedures. A description of the informal hearing and review procedures that the PHA makes available to its applicants. ([24 CFR §903.7\(f\)](#))

Homeownership Programs. A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. ([24 CFR §903.7\(k\)](#))

Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA’s partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA’s partnerships with other entities, and activities subject to Section 3 of the Housing and Community Development Act of 1968 (24 CFR Part 135) and under requirements for the Family Self-Sufficiency Program and others. Include the program’s size (including required and actual size of the FSS program) and means of allocating assistance to households. ([24 CFR §903.7\(l\)\(i\)](#)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. ([24 CFR §903.7\(l\)\(iii\)](#)).

Substantial Deviation. PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

Significant Amendment/Modification. PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan.

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

- B.2 New Activities.** This section refers to new capital activities which is not applicable for HCV-Only PHAs.
- B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year PHA Plan. ([24 CFR §903.11\(c\)\(3\)](#), [24 CFR §903.7\(r\)\(1\)](#))
- B.4 Capital Improvements.** This section refers to PHAs that receive funding from the Capital Fund Program (CFP) which is not applicable for HCV-Only PHAs
- B.5 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark “yes” and describe those findings in the space provided. ([24 CFR §903.7\(p\)](#))

C. Other Document and/or Certification Requirements.

- C.1 Resident Advisory Board (RAB) comments.** If the RAB had comments on the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. ([24 CFR §903.13\(c\)](#), [24 CFR §903.19](#))
- C.2 Certification by State of Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. ([24 CFR §903.15](#)). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.
- C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; or 24 CFR 5.160(a)(3) as applicable (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. ([24 CFR §903.7\(o\)](#)).
- C.4 Challenged Elements.** If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: “To implement goals and priorities in an AFH, strategies and actions shall be included in program participants’ ... PHA Plans (including any plans incorporated therein) Strategies and actions must affirmatively further fair housing” Use the chart provided to specify each fair housing goal from the PHA’s AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 6.02 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Summary of 2023 Administrative Plan Changes

Chapter 1

Pages 6

Added a statement regarding HOTMA being passed into law

Update is from Housing Needs & Strategy for Addressing Housing Needs

Chapter 2

Pages 5-7

Added policy regarding complaints filed under Equal Access Final Rule

Added additional policy regarding VAWA complaint processing and complaint time limits

Update is from Operations and Management

Chapter 3

Pages 7, 25, 39

Added definition of foster adult & foster child per 24 CFR 5.603

Amended PHA Policy regarding foster children/adults

Added statement regarding HUD's stance on disparate impact and discriminatory effects from 3-2023.

Added policy for PHA consideration of all credible evidence regarding criminal histories of applicants

Added provision to policy 3-III.H for Human Trafficking under VAWA 2022 statute

Update is from Deconcentration and Other Policies that Govern Eligibility, Selection & Admissions

Chapter 4

Pages 2

Updated LHA Application times

Update is from Deconcentration and Other Policies that Govern Eligibility, Selection & Admissions

Chapter 5

Pages 4, 12

Added statement regarding PHA responsibility to ensure effective communication to a person with disabilities for a briefing presentation.

Updated policy regarding bedroom allocations for opposite sex children to match IHCDA.

Updated policy regarding bedroom allocation for foster children.

Update is from Rent Determination

Chapter 6 – pages might be different after corrected.

Pages 4, 11, 15, 17, 25, 31, 32, 35, 36, 39, 58

Added guidance on income calculations for Temporarily Absent Family Members

Revised PHA policy on income calculations for Temporarily Absent Family Members

Added qualifying statement regarding Absence from the household due to placement in Foster Care

Changed policy regarding “children’s” earnings to “minor’s” earnings per 24 CFR 5.609b3

Updated policy regarding eligibility ending for Earned Income Disallowance per PIH 2023-27

Removed previous eligibility policy for EID

Added definition of net and gross income to Self-Employment Income Policy

Revised Student Financial Assistance Pre-Hotma Limitation

Revised policy regarding jointly owned assets

Added exclusion for term life insurance counting as an asset

Revised policy regarding lump sum payments

Added income exclusion for care of foster children

Added income exclusion for housing gap payments

Added unreimbursed “health” expenses under adjusted income deductions and how to calculate them

Established policy regarding “Individual Relief” regarding utility allowances for a disabled household

Update is from Rent Determination

Chapter 7

Pages 3,4, 13, 23, 30, 32

Revised policy regarding streamlined income determinations

Updated policy regarding individuals avoiding compliance with SSN disclosure

Updated policy regarding required use of EIV for individuals receiving SS and SSI income

Added policy regarding redacting all PII and diagnosis information from health and medical expense documents, as well as disability related expenses per FR 2/14/23

Update is from Rent Determination

Chapter 10

Pages 11

Added sentence to PHA Policy to clarify voucher extensions for family canceling their portability

Changed initial billing deadline to 90 days under PHA policy

Update is from Operation and Management

Chapter 13

Pages 8

Updated policy regarding conflict-of-interest units from HUD form 52641

Added definition of immediate family member

Update is from Operation and Management

Chapter 16

Pages 9, 32

Revised policy regarding Board approval of utility allowance schedule annual update

Revised policy regarding owner repayment of debts to PHA

Update is from Operation and Management

Chapter 18 – SPECIAL PURPOSE VOUCHERS

Pages 1-32 – All New Chapter

Added recommended policies for the administration of FYI, VASH & Mainstream Vouchers

FYI policies govern criteria for eligibility, referrals from partnering agencies, supportive services, waitlist management, waiting list placement, lease up, maximum assistance, project-basing, termination of assistance and portability.

VASH policies govern screening & eligibility, referrals, denials, changes in family composition, leasing, project-basing, portability and termination of assistance

Mainstream policies govern eligible population, partnerships & supportive services, wait list administration, portability, and project-basing.

Update is from Significant Amendment / Modification

TPS (Temporary Policy Supplement) – Emergency Housing Vouchers

Pages 2, 4, 5, 6

Added uses for EHV fees per PIH Notice 2023-23

Update is from Financial Resources

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The Final Rule implementing broad changes to income and assets in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule.

2-I.C. DISCRIMINATION COMPLAINTS

General Housing Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. The PHA should make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action.

In all cases, the PHA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

PHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will investigate and attempt to remedy discrimination complaints made against the PHA. The PHA will also advise the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations in PHA lobbies, will reference how to file a complaint with FHEO.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Complaints under the Equal Access Final Rule [Notice PIH 2014-20]

Notice PIH 2014-20 requires an articulated complaint process for allegations of discrimination under the Equal Access Final rule. The Equal Access Final Rule requires that PHAs provide equal access regardless of marital status, gender identity, or sexual orientation. The PHA will be informed on these obligations by the HUD Field Office or FHEO when an Equal Access complaint investigation begins.

PHA Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Providing Information to Families and Owners

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

VAWA Complaint Processing [Notice FHEO 2023-01]

A complainant may, not later than one year after an alleged VAWA violation has occurred or terminated, file a complaint with FHEO alleging such violation. If there is a violation that began prior to a year before the complaint is filed, but it continues into the one-year time period, HUD will accept the complaint. FHEO will investigate the complaint if it is timely and FHEO otherwise has jurisdiction. If a complaint is filed more than one year after the alleged violation occurred or terminated, FHEO may, but is not required to, investigate the allegations under the additional authority and procedures described in FHEO 2023-01.

Complaints do not need to allege a violation of the Fair Housing Act for FHEO to accept and investigate the complaint.

PHA Policy

Applicants or tenant families who wish to file a VAWA complaint against the PHA may notify the PHA either orally or in writing.

The PHA will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The PHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

The PHA will attempt to remedy complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

3.I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a *foster adult* under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster child* is a member of the household who meets the definition of a *foster child* under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

PHA Policy

~~A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short term or long term foster care arrangement with the custodial agency.~~

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

PHA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

PART III: DENIAL OF ASSISTANCE

3-III.A OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. A PHA may deny assistance for an applicant because of the family's action or failure to act as described in 24 CFR 982.552 or 982.553.

While the regulations state that the PHA must prohibit admission for certain types of criminal activity and give the PHA the option to deny for other types of previous criminal history, more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual's criminal history merits denial of admission.

When considering any denial of admission, PHAs may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of "One Strike" policies and reminds PHAs of their obligation to safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.

PHAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a PHA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the PHA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

In addition, HUD requires or permits the PHA to deny assistance based on certain types of current or past behaviors of family members.

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the past 5 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA- approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

PHA Policy

The PHA will admit an otherwise-eligible family who was evicted from federally- assisted housing within the past 5 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime, is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

PHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous six months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

PHA Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A record of arrest will not be used as the sole basis of determining reasonable cause. The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members

- If any household member is currently registered as a sex offender under any State registration requirement, the family will be denied assistance.
- If any household member is listed on the National Repository, through EIV, under the Debts Owed to PHAs and Adverse Termination, the family will be denied assistance. Note: The family does not have the right to appeal through the Lafayette Housing Authority

3-III.H. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING AND HUMAN TRAFFICKING

The Violence Against Women Reauthorization Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibits PHA's from denying an applicant admission to the HCV program "on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for assistance or admission."

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

PHA Policy

The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the PHA's policies. Therefore, if the PHA makes a determination to deny assistance to an applicant family, the PHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan and will request that an applicant wishing to claim protection under VAWA notify the PHA within 10 calendar days.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the PHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

PHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list (called Pre-Application). The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list (called Full- Application). **At this time the PHA ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.**

Families may apply online the first Wednesday of each month, from **8am to 4pm**; or in person via a paper application with approved reasonable accommodation.

Proof of birth, citizenship and social security numbers for each household member must be submitted to the PHA by the deadline given on the preference verification letter.

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works.
- Family and owner responsibilities.
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction.
- For families eligible under portability, an explanation of portability. The PHA cannot discourage eligible families from moving under portability.
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

In briefing a family that includes a person with disabilities, PHAs must also take steps to ensure effective communication.

- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

PHA Policy

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

- ✓ *Persons of different generations may be allocated a separate bedroom at initial voucher issuance.*
- ✓ *Additional bedroom may be allocated for opposite sex children when one reaches the age of **six**.*
- ✓ *Same sex children will not be allocated separate bedrooms regardless of age.*
- ✓ *Adults applying to be added to an assisted household after initial voucher issuance will not be provided additional bedroom and will only be considered if the additional person does not overcrowd the unit.*
- ✓ *Foster children (**only via placement from the courts**) will be included in determining unit size only if they will be in the unit for more than 6 months.*
- ✓ *Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendants' family.*
- ✓ *Space will not be provided for a child who is away at school but who lives with the family during school recesses.*
- ✓ *Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military.*
- ✓ *Single person families shall be allocated zero or one bedroom.*
- ✓ *Space will not be provided for minor children that are approved to be in the household but are not there due to birth, adoption, or court awarded custody.*
- ✓ *After initial voucher issuance a family's voucher size will not be increased until maximum occupancy is reached (see below).*

The PHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
0 Bedroom	1-1
1 Bedroom	1-3
2 Bedrooms	2-5
3 Bedrooms	3-7
4 Bedrooms	4-9
5 Bedrooms	6-11

Temporarily Absent Family Members

Unlike the previous version of the regulations, the current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence.

PHA Policy

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

PHA Policy

When someone (other than the head or spouse) who has been considered a family member attends school away from home but lives with the family during school recesses may, at the family’s choice, be considered either temporarily or permanently absent. IF the family decides that the member is permanently absent, income of that member will not included in total household income, the member will not be included in the lease, and the member will not be included for determination of Voucher size.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home within 180 consecutive days from date of removal. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member. The family member is obligated to report any change in the child’s status within 10 calendar days of the change.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

PHA Policy

For persons who regularly receive bonuses or commissions, the PHA will use the prior year amounts. The family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer.

For persons who are employed **ONLY during the school year**, with LSC, TSC, WLSC, Ivy Tech or Purdue the PHA will add wages effective **OCTOBER 1st** and remove **JUNE 1st**. Using this method results in 8 months of wages being included in the rent calculation; this is reasonable as the school year consists of 180 workdays, or 36 weeks.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income *Temporary,*

Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)] This type of income (including gifts) is not included in annual income.

PHA Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted; could not be anticipated or no historic, stable pattern of income exists.

Earnings of a Minor [24 CFR 5.609(b)(3)]

A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors (including foster children) under the age of 18 years is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617] Notice PIH 2023-27

No new individuals will qualify for the EID effective January 1, 2024 [Notice 2023-27]

HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of the HOTMA final rule, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.

~~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. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.~~

~~Eligibility~~

~~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.~~

6-I.F. BUSINESS AND SELF EMPLOYMENT INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

PHA Policy

To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

PHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

PHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

6-I.G. STUDENT FINANCIAL ASSISTANCE [FR Notice 2/14/23 and Notice PIH 2023-27]

Introduction

Section 479B of the HEA requires that all assistance under Title IV of the HEA and Bureau of Indian Affairs student financial assistance, even assistance provided to students in excess of tuition and required fees or charges, be excluded from HUD income calculations.

For Section 8 programs only, however, for over 10 years through FY 2022, HUD appropriations have included a provision that for certain students receiving Section 8 assistance, any amounts received in excess of tuition and any other required fees and charges are considered income (with the exception of students who lived with their parents or who were over the age of 23 with a dependent child).

While the language in various consolidated appropriations acts is limited to federal fiscal year covered by the act, this does not rule out the possibility that similar language will be included in future years' appropriations bills.

- For any funds from a year where HUD's appropriations acts include this limitation, it will apply with respect to Section 8 participants. The PHA will follow the pre-HOTMA Section 8 student financial assistance limitation described below.
- During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance as included/excluded income for all Section 8 students defaults to the methodology described for the public housing program and listed below.

Pre-HOTMA Section 8 Student Financial Assistance Limitation [FR 4/10/06; Notice PIH 2015-21]

In 2005, Congress passed a law (for Section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition and any other required fees and charges received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the PHA will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Chapter 3, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition and fees* are defined in the same manner in which the Department of Education defines *tuition and fees* [Notice PIH 2015-21].
 - This is the amount of tuition and required fees covering a full academic year most frequently charged to students.
 - The amount represents what a typical student would be charged and may not be the same for all students at an institution.
 - If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition.
 - Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).
 - Expenses related to attending an institution of higher education must **not** be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed-sum charges.

Any student financial assistance not subject to inclusion under the regulations is fully excluded from annual income, whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)] will be removed and moved to own section after HOTMA

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

General Policies

Family Declaration of assets under \$5,000 (PIH Notice 2016-05)

The PHA must obtain third-party verification of all family assets upon admitting a family to the HCV program and then again at least every 3 years thereafter. During the intervening annual reexaminations, a PHA has the discretion under this provision to accept a family’s declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the PHA does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets.

Income from Assets

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

PHA Policy

Anytime current circumstances are not used to determine asset income, a

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

Jointly Owned Assets

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

- The asset is otherwise excluded;
- The family can demonstrate that the asset is inaccessible to them; or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly owned asset must be included in annual income, unless:

- The income is specifically excluded;
- The family demonstrates that they do not have access the income from that asset; or
- The family only has access to a portion of the income from that asset.

PHA Policy

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

~~The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”~~

PHA Policy

~~If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.~~

~~If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA will prorate the asset evenly among all owners.~~

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The *HVC Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

PHA Policy

The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

PHA Policy

In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. However, the PHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

PHA Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)].

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

~~Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].~~

PHA Policy

The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family share and PHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PHA.

Treatment of Overpayment Deductions from Social Security Benefits

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)]
- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23)].
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - (e) Income derived from certain submarginal land of the United States that is held in

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed **health and** medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

PHA Policy

Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.

When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations*, p. 30]. For annual reexaminations, the PHA will use information for the previous 12-month period.

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

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

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

Definition of Medical Expenses

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

PHA Policy

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

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

* Nonprescription medicines and medical supplies recommended by a physician will be allowed when family furnishes legible medication professionals statement and legible receipts.

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of the dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is the lowest of the two [FR Notice 06/25/14]. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation and Individual Relief

On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible and usable by the family member with a disability [24 CFR 982.517(e)]. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

Further, the PHA may grant requests for individual relief from charges in excess of the utility allowance on reasonable grounds, such as special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA an explanation of the need for individual relief and an explanation about the amount of additional allowance required [see HCV GB, p. 18-8].

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company.

PHA Policy

The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.

The PHA will consider the following criteria as valid reasons for granting individual relief:

The family's consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.

The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.

The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost.

Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

At its discretion, the PHA may reevaluate the need for the increased utility allowance at any regular reexamination.

If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

~~HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air conditioning, even if the PHA has determined that an allowance for air conditioning generally is not needed.~~

~~The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].~~

Utility Allowance Revisions

At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].

PHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

PHA Policy

The PHA will document, in the family file, the

following: Reported family annual
income

Value of assets

Expenses related to deductions from annual income

Other factors influencing the adjusted income or income-based rent
determination

When the PHA is unable to obtain third-party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2018-18]

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs may apply a COLA to each of the family's sources of fixed income. PHAs must determine all other income using standard verification requirements.

PHA Policy

If 90 percent or more a family's unadjusted income is from fixed income sources:

- The PHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources.
- The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year.
- The PHA will document in the file how the determination that a source of income was fixed was made.
- Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.
- If the family's sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.

When less than 90 percent of a family's unadjusted income consists of fixed income:

- The PHA will apply a COLA to each of the family's sources of fixed income.
- All other income will be verified using third party verification as outlined in Chapter 7 of this policy.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2018-24]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)

- An original SSA-issued document, which contains the name and SSN of the individual

- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual, along with other identifying information of the individual

- Such other evidence of the SSN as HUD may prescribe in administrative instructions

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

PHA Policy

The PHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

When the participant requests to add a new household member, regardless of age, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA will not add the new household member until such documentation is provided.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the PHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

If childcare services were terminated, a written or oral third-party verification will be required.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

To ensure consistency in the determination of annual Social Security and SSI income, PHAs are required to use EIV-reported Social Security and SSI benefit amounts unless the tenant disputes the EIV-reported amount. [PIH 2018-24]

PHA Policy

To verify the SS/SSI benefits of **applicants**, the PHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the PHA will help the applicant to request a benefit verification letter from SSA's Website at www.socialsecurity.gov or ask the participant to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter, they will be required to provide it to the PHA.

To verify the SS/SSI benefits of **participants**, the PHA will obtain information about social security/SSI benefits through the HUD EIV System and confirm with the participant(s) that the current listed benefit amount is correct. Of the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the PHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the PHA will help the participant to request a benefit verification letter from SSA's Website at www.socialsecurity.gov or ask the participant to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to the PHA.

7-IV.B. HEALTH AND MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) ([Pub. L. 104-191](#), 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. The PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

PHA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) ([Pub. L. 104-191](#), 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. The PHA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

Attendant Care

PHA Policy

The PHA will accept written third-party documents provided by the family.

If family-provided documents are not available, the PHA will provide a third-party verification form directly to the care provider requesting the needed information.

Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

PHA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

In addition, the PHA must verify that:

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

PHA Policy

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). The PHA will provide the name, address, and phone of the contact for the PHA in the jurisdiction to which they wish to move. The PHA will advise the family that they will be under the RHA's policies and procedures, including subsidy standards and voucher extension policies.

A briefing will be mandatory for all incoming portability families.

Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the PHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

PHA Policy

For families approved to move under portability, the PHA will issue a new voucher approximately 45 calendar days before the end of the lease term.

The initial term of the voucher will be 60 days.

Voucher Extensions and Expiration

PHA Policy

The **initial** PHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the PHA's jurisdiction except under the following circumstances only: the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA; or, the family decides to return to the initial PHAs jurisdiction and search for a unit there.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within **90** days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Initial Billing Deadline [Notice PIH 2016-09]

The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing ***before*** the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must notify the receiving PHA in writing. The initial PHA may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

PHA Policy

If the PHA has not received an initial billing notice from the receiving PHA on HUD-52665 within the billing deadline, ~~it will contact the receiving PHA to inform them that~~ it will not honor a late billing submission and will reject any subsequent billings it receives on behalf of the family. The PHA will send the receiving PHA a written confirmation of its decision.

The PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2011-3]

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of overleasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

PHA Policy

The initial PHA may utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies the initial PHA that direct deposit is not acceptable to them.

13-I.D. OWNER QUALIFICATIONS

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The PHA must not approve the assisted tenancy if the PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD may direct the PHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

The PHA must not approve an RTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19; Form HUD-52641, Section 13]

The PHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the PHA (except a participant commissioner)
- Any employee of the PHA, or any contractor, subcontractor, or agent of the PHA, who formulates policy or who influences decisions with respect to the programs.
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs.
- Any member of the Congress of the United States

Such covered individual may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such person is a covered individual or for one year thereafter.

Immediate family member means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister, or brother (including a stepsister or stepbrother) of any covered individual.

Utility Allowance Revisions

The PHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PHA Policy

LHA Board Approval will be needed to update the utility allowance schedule if the utility allowance annual review results in more than 10 percent cumulative change of utility rates.

PART IV: OWNER OR FAMILY DEBTS TO THE PHA

16-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. If the family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by the PHA, the PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement. [24 CFR 982.552(c)(1)(vii.)] This part describes the PHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

PHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the PHA holds the owner or participant liable to return any overpayments to the PHA.

The PHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to the PHA, the PHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection Agencies
- Small Claims Court
- Civil Lawsuit
- State income tax set-off program
- Requests for lump sum payments
- Payment agreements
- Reduction in HAP to owner

Chapter 18

SPECIAL PURPOSE VOUCHERS

INTRODUCTION

Special purpose vouchers are specifically funded by Congress in separate appropriations from regular HCV program funding in order to target specific populations. Special purpose vouchers include vouchers for the following programs:

- Foster Youth to Independence (FYI) program
- Veterans Affairs Supportive Housing (VASH)
- Mainstream

PHA Policy

The PHA will administer the following types of special purpose vouchers: Fostering Youth to Independence, VASH, and Mainstream.

This chapter describes HUD regulations and PHA policies for administering special purpose vouchers. The policies outlined in this chapter are organized into five sections, as follows:

Part I: Foster Youth to Independence (FYI) program

Part III: Veterans Affairs Supportive Housing (VASH)

Part IV: Mainstream voucher program

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to special purpose vouchers.

PART I: FOSTER YOUTH TO INDEPENDENCE INITIATIVE

18-II.A. PROGRAM OVERVIEW [Notice PIH 2020-28; Notice PIH 2021-26; FR Notice 1/24/22]

The Foster Youth to Independence (FYI) initiative was announced in 2019. The FYI initiative allows PHAs who partner with a Public Child Welfare Agency (PCWA) to request targeted HCVs to serve eligible youth with a history of child welfare involvement that are homeless or at risk of being homeless. Rental assistance and supportive services are provided to qualified youth for a period of between 36 and 60 months.

Funding is available either competitively through an FYI NOFA or noncompetitively on a rolling basis in accordance with the application requirements outlined in Notice PIH 2020-28 or Notice PIH 2021-26, as applicable. Under the noncompetitive process, PHAs are limited to 25 vouchers in a fiscal year with the ability to request additional vouchers for those PHAs with 90 percent or greater utilization or utilization of its FUP and/or FYI vouchers, as applicable. For competitive awards, the number of vouchers is dependent on PHA program size and need.

18-II.B. PARTNERING AGENCIES [Notice PIH 2021-26; FYI Updates and Partnering Opportunities Webinar]

Public Child Welfare Agency (PCWA)

The PHA must enter into a partnership agreement with a PCWA in the PHA's jurisdiction in the form of a Memorandum of Understanding (MOU) or letter of intent. The PCWA is responsible for identifying and referring eligible youth to the PHA and providing or securing a commitment for the provision of supportive services once youth are admitted to the program.

PHA Policy

The PHA will implement a Foster Youth to Independence (FYI) program in partnership with Indiana Department of Child Services.

The PCWA is responsible for:

- Identifying FYI-eligible youth;
- Developing a system of prioritization based on the level of need of the youth and the appropriateness of intervention;
- Providing a written certification to the PHA that the youth is eligible; and
- Providing or securing supportive services for 36 months.

Continuum of Care (CoC) and Other Partners

HUD strongly encourages PHAs to add other partners into the partnership agreement with the PCWA such as state, local, philanthropic, faith-based organizations, and the CoC, or a CoC recipient it designates.

PHA Policy

In addition to the PCWA, the PHA will implement the FYI program in partnership with Bauer Family Resources.

18-II.C. YOUTH ELIGIBILITY CRITERIA [Notice PIH 2021-26; FYI Q&As; FYI FAQs]

The PCWA is responsible for certifying that the youth has prior qualifying foster care involvement. As determined by the PCWA, eligible youth:

- Are at least 18 years of age and not more than 24 years of age (have not yet reached their 25th birthday);
 - Youth must be no more than 24 years of age at the time the PCWA certifies them as eligible and at the time of HAP contract execution.
- Have left foster care or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
 - Placements can include, but are not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes in accordance with 24 CFR 5.576;
- Are homeless or at risk of becoming homeless at age 16 and older;
 - *At risk of being homeless* is fully defined at 24 CFR 576.2.
 - o This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution). Therefore, youth being discharged from an institution may be eligible for an FYI voucher [FYI FAQs].

Eligibility is not limited to single persons. For example, pregnant and/or parenting youth are eligible to receive assistance assuming they otherwise meet eligibility requirements.

18-II.D. SUPPORTIVE SERVICES [Notice PIH 2021-26; FYI Updates and Partnering Opportunities Webinar; FYI Q&As]

Supportive services may be provided by the PHA, PCWA or a third party. The PCWA must provide or secure a commitment to provide supportive services for participating youth for the period of time defined in the NOFA/O for which the funding was made available. At a minimum, the following supportive services must be offered:

- Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services);
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits;
- Providing such assurances to owners of rental property as are reasonable and necessary to assist eligible youth to rent a unit with a voucher;
- Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc.); and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED) or attendance/financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

PHA Policy

Additional supportive services will not be offered.

Since participation in supportive services is optional, but strongly encouraged, an FYI participant may decline supportive service.

18-II.E. REFERRALS AND WAITING LIST MANAGEMENT [Notice PIH 2021-26; FYI Updates and Partnering Opportunities Webinar FYI FAQs]

Referrals

The PCWA is responsible for certifying that the youth has prior qualifying foster care involvement. Once the PCWA sends the PHA the referral certifying the youth is program-eligible, the PHA determines HCV eligibility.

The PCWA must have a system for identifying eligible youth within the agency's caseload and reviewing referrals from other partners, as applicable. The PCWA must also have a system for prioritization of referrals to ensure that youth are prioritized for an FYI voucher based upon their level of need and appropriateness of the intervention.

Referrals may come from other organizations in the community who work with the population, but the PCWA must certify that the youth meets eligibility requirements, unless the PCWA has vested another organization with this authority.

The PHA is not required to maintain full documentation that demonstrates the youth's eligibility as determined by the PCWA but should keep the referral or certification from the PCWA. The PCWA is not required to provide the PHA with HCV eligibility documents.

PHA Policy

The PHA and PCWA have identified staff positions to serve as lead FYI liaisons. These positions will be responsible for transmission and acceptance of referrals. The PCWA must commit sufficient staff and resources to ensure eligible youths are identified, prioritized, and determined eligible in a timely manner.

When vouchers are available, the PHA liaison responsible for acceptance of referrals will contact the PCWA liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. The PCWA liaison must provide the PHA with a list of eligible referrals, a completed release form, and a written certification for each referral indicating the referral is eligible. The list will include the name, address, and contact phone number for each adult individual who is being referred.

The PHA will maintain a copy of each certification from the PCWA in the participant's file along with other eligibility paperwork.

Waiting List Placement [Notice PIH 2021-26 and FYI FAQs]

The PHA must use the HCV waiting list for the FYI program. Youth already on the HCV program may not be transferred to an FYI voucher since they are not homeless or at-risk of homelessness.

Once a referral is made, the PHA must compare the list of PCWA referrals to its HCV waiting list to determine if any applicants on the PCWA's referral list are already on the PHA's HCV waiting list. Applicants already on the PHA's HCV waiting list retain the order of their position on the list. Applicants not already on the PHA's HCV waiting list must be placed on the HCV waiting list.

If the PHA's HCV waiting list is closed, the PHA must open its HCV waiting list in order to accept new referrals. The PHA may reopen the waiting list to accept an FYI eligible youth without opening the waiting list for other applicants; however, the requirements at 24 CFR 982.206 for giving public notice when opening and closing the waiting list apply (see section 4-II.C., Opening and Closing the Waiting List of this administrative plan).

PHA Policy

Within 10 business days of receiving the referral from the PCWA, the PHA will review the HCV waiting list and will send the PCWA a list confirming whether or not referrals are on the waiting list.

Referrals who are already on the list will retain their position or may be given the At Risk Youth preference, if applicable.

For those referrals not already on the waiting list, the PHA will work with the PCWA to ensure they receive and successfully complete a pre-application or application, as applicable. Once the pre-application or application has been completed, the PHA will place the referral on the HCV waiting list with the date and time of the original referral and an indication that the referral is FYI-eligible. The youth may be given the At Risk Youth preference, if applicable.

Waiting List Selection

The PHA selects eligible youths based on the PHA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply.

18-II.F. PHA HCV ELIGIBILITY DETERMINATION [FYI FAQs]

Once an eligible youth is selected from the HCV waiting list, the PHA must determine whether the youth meets HCV program eligibility requirements. Applicants must be eligible under both FYI eligibility requirements and HCV eligibility requirements as outlined in Chapter 3 of this policy.

The PCWA may, but is not obligated to, provide information to the PHA on the youth's criminal history.

PHA Policy

Subject to privacy laws, the PCWA will provide any available information regarding the applicant's criminal history to the PHA.

The PHA will consider the information in making its eligibility determination in accordance with the PHA's policies in Chapter 3, Part III.

Additional Eligibility Factors

Youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FYI voucher.

PHA Policy

Any applicant that does not meet the eligibility criteria for the HCV program listed in Chapter 3 or any eligibility criteria listed in this section will be notified by the PHA in writing following policies in Section 3-III.F, including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

18-II.G. LEASE UP [FR Notice 1/24/22]

Once the PHA determines that the family or youth meets HCV eligibility requirements, the youth will be issued an FYI voucher in accordance with PHA policies.

During the family briefing, PHAs must inform the FYI voucher holder of:

- The extension of assistance provisions and requirements;
- The supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FYI assistance.

PHA Policy

Eligible applicants will be notified by the PHA in writing following policies in Section 3-III.F. of this policy. FYI youth will be briefed individually. The PHA will provide all aspects of the written and oral briefing as outlined in Part I of Chapter 5.

Vouchers will be issued in accordance with PHA policies in Chapter 5, Part II, except that the PHA will consider one additional 30-day extension beyond the first automatic extension for any reason, not just those listed in the policy in Section 5-II.E.

Once the youth locates a unit, the PHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the PHA policy in Chapter 9.

Should a youth fail to use the voucher, the PHA may issue the voucher to another eligible youth if one has been identified [Notice PIH 2021-26].

Turnover [FYI FAQs]

For PHAs awarded FYI Tenant Protection Vouchers (TPVs) under Notice PIH 2019-20 where the recipient of the FYI TPV leaves the program, the PHA may request an FYI voucher under the requirements of Notice PIH 2021-26.

For PHAs awarded FYI vouchers under Notices PIH 2020-28 and PIH 2021-26, where the recipient of the FYI voucher leaves the program, the PHA must continue to use the FYI voucher for eligible youth upon turnover. Where there are more eligible youth than available FYI turnover vouchers, the PHA may request an FYI voucher under the requirements of Notice PIH 2021-26. If another eligible youth is not available, the PHA must notify HUD, and HUD will reduce the PHA's HCV assistance to account for the removal of the FYI assistance from the PHA's HCV baseline.

18-II.H. MAXIMUM ASSISTANCE PERIOD [Notice PIH 2021-26 and FYI FAQs; FR Notice 1/24/22]

Vouchers are limited by statute to a total of between 36 months and 60 months of housing assistance. At the end of the statutory time period, assistance must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the limitation. It is not permissible to reissue another FYI TPV to the same youth upon expiration of their FYI assistance.

Participants do not “age out” of the program. A participant may continue with the program until they have received the period of assistance for which they are eligible. Age limits are only applied for entry into the program.

Extension of Assistance

FYI voucher holders who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

Statutory Exceptions

FYI voucher holders will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit if they certify that they meet one of the exceptions below:

- The FYI voucher holder is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.

PHA Policy

The PHA defines *incapacitated person* as **[insert definition under state and local law]**. The PHA will apply this exception in a manner that provides extensions of FYI assistance to the broadest population possible consistent with the statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a PHA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

The child or incapacitated person is not required to reside in the household in order for the FYI voucher holder to certify they meet this exception. For example, a child in a joint custody arrangement under the age of six who resides in the household only part time may qualify the FYI voucher holder for this exception.

- The FYI voucher holder is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

PHA Policy

The PHA will define *regular and active participation* in a manner that provides extensions of FYI voucher holder assistance to the broadest population possible consistent with the statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a PHA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

- The FYI voucher holder is a person who is incapable of complying with the requirement to participate in a workforce development program or engage in education, or employment activities as described below, as applicable, due to a documented medical condition.

PHA Policy

The PHA will apply this requirement in a manner that provides extensions of FYI voucher holder assistance to the broadest population possible consistent with statutory requirements.

The FYI voucher holder will be required to self-certify that they meet this exception on a PHA-provided form. This certification is the only documentation that the FYI voucher holder must submit.

An FYI voucher holder that meets one of the above exceptions must still be offered an opportunity to receive any supportive services available to FYI voucher holders. An FYI voucher holder may choose to participate in a workforce development program, or engage in education, or employment activities, even if they meet one of the above statutory exceptions.

Education, Workforce Development, or Employment Activities

A FYI voucher holder may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The FYI voucher holder was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

PHA Policy

The PHA will use the definitions of *recognized postsecondary credential* and *secondary school diploma or its recognized equivalent* under the Workforce Innovation and Opportunity Act (WIOA). WIOA defines a *recognized postsecondary credential* as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or federal government, or an associate or baccalaureate degree (29 U.S.C. 3102). Examples of a recognized postsecondary credential include, but are not limited to, an associate's degree, bachelor's degree, occupational licensure, or occupational certification (see U.S. Department of Labor, Training and Employment Guidance Letter No. 10–16, Change 1). For the purpose of WIOA, the U.S. Department of Labor defines a *secondary school diploma or its recognized equivalent* as a secondary school diploma (or alternate diploma) that is recognized by a state and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirement for a high school education. Examples of a secondary school diploma or its recognized equivalent include, but are not limited to, obtaining certification of attaining passing scores on a state-recognized high school equivalency test, earning a secondary school diploma or state-recognized equivalent, or obtaining certification of passing a state-recognized competency-based assessment.

- The FYI voucher holder was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

PHA Policy

The FYI voucher holder must be enrolled in education activities on at least a half-time basis, as defined by the institution which they attend. However, the PHA may make exceptions to this requirement if the FYI voucher holder is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where they are enrolled.

- The FYI voucher holder was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
- The FYI voucher holder was employed.

PHA Policy

The PHA will consider the FYI voucher holder to be employed if they work a minimum of 20 hours per week. The PHA may make exceptions to this requirement if the FYI voucher holder's hours are reduced due to circumstances beyond their control or the FYI voucher holder must temporarily reduce their work hours due to a verified family emergency.

FSS Enrollment at 24 Months

No FSS Program or Unable to Enroll in FSS

If a PHA does not carry out an FSS program or the FYI voucher holder has been unable to enroll in the program during the first 36 months of receiving FYI assistance, the FYI voucher holder is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the FYI voucher holder engaged in at least one of the education, workforce development, or employment activities described above for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months requirement, the FYI voucher holder may have engaged in one of the education, workforce development, or employment activities described above or a combination of these activities.

Verification Prior to Annual Reexam

In order to provide an extension of assistance, the PHA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. The PHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, the PHA must provide the FYI voucher holder written notification informing them that they may receive an extension of their FYI assistance and providing instructions on how the FYI voucher holder may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FYI voucher holder to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for the PHA to conduct an annual reexamination prior to the expiration of the FYI assistance.

PHA Policy

The PHA will verify compliance with the education, workforce development, or employment requirement, or one of the statutory exceptions, at the end of the 36-month and 48-month time periods prior to the FYI voucher holder's scheduled annual reexamination. The PHA will not verify compliance at the end of the 60-month time period.

The PHA will provide each FYI voucher holder on the PHA's program with a written notification informing them that they may receive an extension of their FYI assistance if they meet conditions outlined in this chapter and providing them with instructions on how they may demonstrate compliance at least 60 days prior to their scheduled annual reexam date. When necessary, the PHA will provide this notification in a format accessible to FYI voucher holders with disabilities and in a translated format for FYI voucher holders with limited English proficiency in accordance with Chapter 2.

The PHA will use the following verification methods to verify an FYI voucher holder's eligibility for voucher extensions:

To verify compliance with the FSS requirement, the PHA will examine its records to confirm, or obtain confirmation from the PHA's FSS program staff, that the FYI participant is in compliance with FSS program requirements and has not been terminated from the FSS program.

To meet the education, workforce development, or employment requirement, the PHA will verify that the FYI voucher holder was engaged in at least one education, workforce development, or employment activity for at least nine months of the 12-month period immediately preceding the end of the 36-month or 48-month time period, as applicable.

Due to the timing of when the PHA verifies compliance and conducts the annual reexamination, the FYI voucher holder may have not yet met the nine-month requirement but may be able to demonstrate that they will meet the nine-month requirement as of the end of the 36-month or 48-month time period. In such cases, the FYI voucher holder will still be considered to have met the requirements.

In order for the FYI voucher holder to meet one of the statutory exceptions described above, the FYI voucher holder must submit a certification to the PHA that they meet one of these exceptions. This certification is the only documentation that the FYI voucher holder must submit in order to demonstrate that they meet one of the statutory exceptions.

An FYI voucher holder who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FYI voucher holder may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If the PHA determines that the FYI voucher holder meets one of the statutory conditions, the PHA would then conduct an annual reexamination. If the annual reexamination determines that the FYI voucher holder is still eligible for the HCV program, the PHA must provide the FYI voucher holder the extension of voucher assistance.

Termination of Assistance for Failure to Meet Conditions

Failure of the FYI voucher holder to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FYI assistance prior to the annual reexam.

If the FYI voucher holder does not meet any of the statutory conditions described in in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FYI voucher must be terminated once they reach this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the FYI voucher holder entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the FYI voucher holder, not the number of months that they are in the FYI program. Prior to termination, the PHA must offer the FYI voucher holder the opportunity to request an informal hearing, in accordance with Chapter 16.

18-II.I. TERMINATION OF ASSISTANCE [FYI FAQs]

Termination of a FYI voucher is handled in the same way as with any HCV; therefore, termination of a FYI voucher must be consistent with HCV regulations at 24 CFR Part 982, Subpart L and PHA policies in Chapter 12. Given the statutory time limit that requires FYI vouchers to sunset, a PHA must terminate the youth's assistance once the limit on assistance has expired.

A PHA cannot terminate a FYI youth's assistance for noncompliance with PCWA case management, nor may the PHA terminate assistance for a FYI youth for not accepting services from the PCWA.

The PHA may not transfer the assistance of FYI voucher holders to regular HCV assistance upon the expiration of the limit on assistance. However, the PHA may issue a regular HCV to FYI voucher holders if they were selected from the waiting list in accordance with PHA policies. The PHA may also adopt a waiting list preference for FYI voucher holders who are being terminated for this reason.

PHA Policy

The PHA will not provide a selection preference on the PHA's HCV waiting list for FYI voucher holders who are terminated due to the time limit on assistance.

18-II.J. PORTABILITY [FYI FAQs]

Portability for an FYI youth is handled in the same way as for a regular HCV family. A PHA may not restrict or deny portability for an FYI youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan.

An FYI youth does not have to port to a jurisdiction that administers FYI vouchers.

If the receiving PHA absorbs the voucher, the PHA may absorb the youth into its regular HCV program if it has vouchers available to do so. If the receiving PHA absorbs the youth into its regular HCV program, that youth becomes a regular HCV participant with none of the limitations of an FYI voucher.

The initial and receiving PHA must work together to initiate termination of assistance upon expiration of the time limit on assistance.

18-II.K. PROJECT-BASING FYI VOUCHERS [FYI FAQs; FR Notice 1/24/22]

The PHA may project-base certain FYI vouchers without HUD approval in accordance with all applicable PBV regulations and PHA policies in Chapter 17. This includes FYI vouchers awarded under Notices PIH 2020-28 and PIH 2021-26. Assistance awarded under Notice PIH 2019-20 is prohibited from being project-based.

PHA Policy

The PHA will not project-base FYI vouchers. All FYI vouchers will be used to provide tenant-based assistance.

PART II: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM

18-III.A. OVERVIEW

Since 2008, HCV program funding has provided rental assistance under a supportive housing program for homeless veterans. The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a designated service provider (DSP) as approved by the VA Secretary. Eligible families are homeless veterans and their families that agree to participate in VA case management and are referred to the VAMC's partner PHA for HCV assistance. The VAMC or DSP's responsibilities include:

- Screening homeless veterans to determine whether they meet VASH program participation criteria;
- Referring homeless veterans to the PHA;
 - The term *homeless veteran* means a veteran who is homeless (as that term is defined in subsection (a) or (b) of Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)). See 38 U.S.C. 2002.
- Providing appropriate treatment and supportive services to potential VASH participants, if needed, prior to PHA issuance of a voucher;
- Providing housing search assistance to VASH participants;
- Identifying the social service and medical needs of VASH participants, and providing or ensuring the provision of regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

VASH vouchers are awarded noncompetitively based on geographic need and PHA administrative performance. Eligible PHAs must be located within the jurisdiction of a VAMC and in an area of high need based on data compiled by HUD and the VA. When Congress funds a new allocation of VASH vouchers, HUD invites eligible PHAs to apply for a specified number of vouchers.

Generally, the HUD-VASH program is administered in accordance with regular HCV program requirements. However, HUD is authorized to waive or specify alternative requirements to allow PHAs to effectively deliver and administer VASH assistance. Alternative requirements are established in the HUD-VASH Operating Requirements, which were originally published in the Federal Register on May 6, 2008, and updated September 27, 2021. Unless expressly waived by HUD, all regulatory requirements and HUD directives regarding the HCV program are applicable to VASH vouchers, including the use of all HUD-required contracts and other forms, and all civil rights and fair housing requirements. In addition, the PHA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program.

The VASH program is administered in accordance with applicable Fair Housing requirements since civil rights requirements cannot be waived under the program. These include applicable authorities under 24 CFR 5.105(a) and 24 CFR 982.53 including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Age Discrimination Act and all PHA policies as outlined in Chapter 2 of this document.

When HUD-VASH recipients include veterans with disabilities or family members with disabilities, reasonable accommodation requirements in Part II of Chapter 2 of this policy apply.

18-III.B. REFERRALS [FR Notice 9/27/21 and HUD-VASH Qs and As]

VAMC case managers will screen all families in accordance with VA screening criteria and refer eligible families to the PHA for determination of program eligibility and voucher issuance. The PHA has no role in determining or verifying the veteran's eligibility under VA screening criteria, including determining the veteran's homelessness status. The PHA must accept referrals from the partnering VAMC and must maintain written documentation of referrals in VASH tenant files. Upon turnover, VASH vouchers must be issued to eligible veteran families as identified by the VAMC.

PHA Policy

In order to expedite the screening process, the PHA will provide all forms and a list of documents required for the VASH application to the VAMC. Case managers will work with veterans to fill out the forms and compile all documents prior to meeting with the PHA and submitting an application. When feasible, the VAMC case manager should email or fax copies of all documents to the PHA prior to the meeting in order to allow the PHA time to review them and start a file for the veteran.

After the VAMC has given the PHA a complete referral, the PHA will perform an eligibility screening within five business days of receipt of a VAMC referral.

18-III.C. HCV PROGRAM ELIGIBILITY [FR Notice 9/27/21]

Eligible participants are homeless veterans and their families who agree to participate in case management from the VAMC.

- A *VASH Veteran* or *veteran family* refers to either a single veteran or a veteran with a household composed of two or more related persons. It also includes one or more eligible persons living with the veteran who are determined to be important to the veteran's care or well-being.
- A veteran for the purpose of VASH is a person whose length of service meets statutory requirements, and who served in the active military, naval, or air service, was discharged or released under conditions other than dishonorable, and is eligible for VA health care.

Under VASH, PHAs do not have authority to determine family eligibility in accordance with HCV program rules and PHA policies. The only reasons for denial of assistance by the PHA are failure to meet the income eligibility requirements and/or that a family member is subject to a lifetime registration requirement under a state sex offender registration program. Under portability, the receiving PHA must also comply with these VASH screening requirements.

Social Security Numbers

When verifying Social Security numbers (SSNs) for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name and SSN of the individual along with other identifying information of the individual, is acceptable in accordance with Section 7-II.B. of this policy.

In the case of the homeless veteran, the PHA must accept the Certificate of Release or Discharge from Active Duty (DD-214) or the VA-verified Application for Health Benefits (10-10EZ) as verification of SSN and cannot require the veteran to provide a Social Security card. A VA-issued identification card may also be used to verify the SSN of a homeless veteran.

Proof of Age

The DD-214 or 10-10EZ must be accepted as proof of age in lieu of birth certificates or other PHA-required documentation as outlined in Section 7-II.C. of this policy. A VA-issued identification card may also be used to verify the age of a homeless veteran.

Photo Identification

A VA-issued identification card must be accepted in lieu of another type of government-issued photo identification. These cards also serve as verification of SSNs and date of birth.

Income Eligibility

The PHA must determine income eligibility for VASH families in accordance with 24 CFR 982.201 and policies in Section 3-II.A. If the family is over-income based on the most recently published income limits for the family size, the family will be ineligible for HCV assistance.

While income-targeting does not apply to VASH vouchers, the PHA may include the admission of extremely low-income VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

PHA Policy

While income-targeting requirements will not be considered by the PHA when families are referred by the partnering VAMC, the PHA will include any extremely low-income VASH families that are admitted in its income targeting numbers for the fiscal year in which these families are admitted.

Screening

The PHA may not screen any potentially eligible family members or deny assistance for any grounds permitted under 24 CFR 982.552 and 982.553 with one exception: the PHAs is still required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. Accordingly, with the exception of denial for registration as a lifetime sex offender under state law and PHA policies on how sex offender screenings will be conducted, PHA policy in Sections 3-III.B. through 3-III.E. do not apply to VASH. The prohibition against screening families for anything other than lifetime sex offender status applies to all family members, not just the veteran.

If a family member is subject to lifetime registration under a state sex offender registration program, the remaining family members may be served if the family agrees to remove the sex offender from its family composition. This is true unless the family member subject to lifetime registration under a state sex offender registration program is the homeless veteran, in which case the family would be denied admission to the program [New HCV GB, *HUD-VASH*, p. 6].

Denial of Assistance [Notice PIH 2008-37]

Once a veteran is referred by the VAMC, the PHA must either issue a voucher or deny assistance. If the PHA denies assistance, it must provide the family with prompt notice of the decision and a brief statement of the reason for denial in accordance with Section 3-III.F. Like in the standard HCV program, the family must be provided with the opportunity for an informal review in accordance with policies in Section 3-III.F. In addition, a copy of the denial notice must be sent to the VAMC case manager.

18-III.D. CHANGES IN FAMILY COMPOSITION

Adding Family Members [FR Notice 9/27/21]

When adding a family member after the family has been admitted to the program, PHA policies in Section 3-II.B. apply. Other than the birth, adoption, or court-awarded custody of a child, the PHA must approve additional family members and will apply its regular screening criteria in doing so.

Remaining Family Members [HUD-VASH Qs and As]

If the homeless veteran dies while the family is being assisted, the voucher would remain with the remaining members of the tenant family. The PHA may use one of its own regular vouchers, if available, to continue assisting this family and free up a VASH voucher for another VASH-eligible family. If a regular voucher is not available, the family would continue utilizing the VASH voucher. Once the VASH voucher turns over, however, it must go to a homeless veteran family.

Family Break Up [HUD-VASH Qs and As]

In the case of divorce or separation, since the set-aside of VASH vouchers is for veterans, the voucher must remain with the veteran. This overrides the PHA's policies in Section 3-I.C. on how to determine who remains in the program if a family breaks up.

18-III.E. LEASING [FR Notice 9/27/21]

Waiting List

The PHA does not have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Policies in Chapter 4 relating to applicant selection from the waiting list, local preferences, special admissions, cross-listing, and opening and closing the waiting list do not apply to VASH vouchers.

Exception Payment Standards

To assist VASH participants in finding affordable housing, especially in competitive markets, HUD allows PHAs to establish a HUD-VASH exception payment standard. PHAs may go up to but no higher than 120 percent of the published area-wide fair market rent (FMR) or small area fair market rent (SAFMR) specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent must still request a waiver from HUD through the regular waiver process outlined in Notice PIH 2018-16.

Voucher Issuance

Unlike the standard HCV program which requires an initial voucher term of at least 60 days, VASH vouchers must have an initial search term of at least 120 days. PHA policies on extensions as outlined in Section 5-II.E. will apply.

PHA Policy

All VASH vouchers will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless the PHA grants an extension.

The PHA must track issuance of HCVs for families referred by the VAMC or DSP in PIC as required in Notice PIH 2011-53.

Initial Lease Term

Unlike in the standard the HCV program, VASH voucher holders may enter into an initial lease that is for less than 12 months. Accordingly, PHA policy in Section 9-I.E., Term of Assisted Tenancy, does not apply.

Ineligible Housing [FR Notice 6/18/14]

Unlike in the standard HCV program, VASH families are permitted to live on the grounds of a VA facility in units developed to house homeless veterans. This applies to both tenant-based assistance and PBV. Therefore, 24 CFR 982.352(a)(5) and 983.53(a)(2), which prohibit units on the physical grounds of a medical, mental, or similar public or private institution, do not apply to VASH for this purpose only. Accordingly, PHA policy in 9-I.D., Ineligible Units, does not apply for this purpose only.

HQS Pre-Inspections

To expedite the leasing process, PHAs may pre-inspect available units that veterans may be interested in leasing in order to maintain a pool of eligible units. If a VASH family selects a unit that passed an HQS inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval (Form HUD-52517), the unit may be approved if it meets all other conditions under 24 CFR 982.305. However, the veteran must be free to select their unit and cannot be steered to these units.

PHA Policy

To expedite the leasing process, the PHA may pre-inspect available units that veterans may be interested in leasing to maintain a pool of eligible units. If a VASH family selects a unit that passed a HQS pre-inspection (without intervening occupancy) within 45 days of the date of the RTA, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305. The veteran will be free to select their unit.

When a pre-inspected unit is not selected, the PHA will make every effort to fast-track the inspection process, including adjusting the normal inspection schedule for both initial and any required reinspections.

18-III.F. PORTABILITY [FR Notice 9/27/21 and Notice PIH 2011-53]

General Requirements

Portability policies under VASH depend on whether the family wants to move within or outside of the initial VA facility's catchment area (the area in which the VAMC or DSP operates). In all cases, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. VASH participant families may only reside in jurisdictions that are accessible to case management services, as determined by case managers at the partnering VAMC or DSP.

Under VASH, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied. As a result, PHA policies in Section 10-II.B. about nonresident applicants do not apply.

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

Portability within the Initial VAMC or DSP's Catchment Area

A VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. If the initial PHA's partnering VAMC will still provide the case management services, the receiving PHA must process the move in accordance with portability procedures:

- If the receiving PHA has been awarded VASH vouchers, it can choose to either bill the initial PHA or absorb the family if it has a VASH voucher available to do so.
 - If the PHA absorbs the family, the VAMC or DSP providing the initial case management must agree to the absorption and the transfer of case management.
- If the receiving PHA does not administer a VASH program, it must always bill the initial PHA.

Portability Outside of the Initial VAMC or DSP's Catchment Area

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VAMC or DSP to provide case management services, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMS or DSP that is participating in the VASH program, and the receiving PHA has an available VASH voucher.

In these cases, the family must be absorbed by the receiving PHA either as a new admission or as a portability move-in, as applicable. Upon absorption, the initial PHA's VASH voucher will be available to lease to a new VASH-eligible family, and the absorbed family will count toward the number of VASH slots awarded to the receiving PHA.

Portability Outside of the Initial VAMC or DSP's Catchment Area under VAWA

Veterans who request to port beyond the catchment area of the VAMC or DSP where they are receiving case management to protect the health or safety of a person who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believes they are threatened with imminent harm from further violence by remaining in the unit may port prior to receiving approval from the receiving VAMC or DSP. The initial PHA must follow its emergency transfer plan (see Exhibit 16-3). PHAs may require verbal self-certification or a written request from a participant seeing a move beyond the catchment area of the VAMC or DSP.

The verbal self-certification or written request must include either a statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit or a statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the participants request for the move.

The participant must still port to a PHA that has a VASH program. If the receiving PHA does not have a VASH voucher available to lease, they may bill the initial PHA until a VASH voucher is available, at which point the porting veteran must be absorbed into the receiving PHA's program.

18-III.G. TERMINATION OF ASSISTANCE [FR Notice 9/27/21]

With the exception of terminations for failure to receive case management, HUD has not established any alternative requirements for termination of assistance for VASH participants. However, prior to terminating VASH participants, HUD strongly encourages PHAs to exercise their discretion under 24 CFR 982.552(c)(2) as outlined in Section 12-II.D. of this policy and consider all relevant circumstances of the specific case. This includes granting reasonable accommodations for persons with disabilities, as well as considering the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination.

VASH participant families may not be terminated after admission for a circumstance or activities that occurred prior to admission and were known to the PHA but could not be considered at the time of admission due to VASH program requirements. The PHA may terminate the family's assistance only for program violations that occur after the family's admission to the program.

Cessation of Case Management

As a condition of receiving HCV rental assistance, a HUD-VASH-eligible family must receive case management services from the VAMC or DSP. A VASH participant family's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or DSP.

However, a VAMC or DSP determination that the participant family no longer requires case management is not grounds for termination of voucher or PBV assistance. In such a case, at its option, the PHA may offer the family continued assistance through one of its regular vouchers. If the PHA has no voucher to offer, the family will retain its VASH voucher or PBV unit until such time as the PHA has an available voucher for the family.

VAWA [FR Notice 9/27/21]

When a veteran's family member is receiving protection under VAWA because the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator's VASH assistance, the victim must be given a regular HCV if one is available, and the perpetrator's VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available, the perpetrator must be terminated from assistance and the victim will continue to use the VASH voucher.

18-III.H. PROJECT-BASING VASH VOUCHERS

General Requirements [Notice PIH 2017-21 and FR Notice 9/27/21]

PHAs are authorized to project-base their tenant-based VASH vouchers without additional HUD review or approval in accordance with Notice PIH 2017-21 and all PBV program requirements provided that the VAMC will continue to make supportive services available. In addition, since 2010, HUD has awarded VASH vouchers specifically for project-based assistance in the form of PBV HUD-VASH set-aside vouchers. While these vouchers are excluded from the PBV program cap as long as they remain under PBV HAP contract at the designated project, all other VASH vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A. Note that VASH supportive services only need to be provided to VASH families receiving PBV assistance in the project, not all families receiving PBV assistance in the project. If a VASH family does not require or no longer requires case management, the unit continues to count as an excepted PBV unit as long as the family resides in the unit.

If the PHA project-bases VASH vouchers, the PHA must consult with the partnering VAMC or DSP to ensure approval of the project or projects. PHAs may project-base VASH vouchers in projects alongside other PBV units and may execute a single HAP contract covering both the VASH PBVs and the other PBVs. The PHA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a HUD set-aside award.

If a VASH family is referred to the PHA and there is an available PBV unit that is not exclusively made available to VASH families, the PHA may offer to refer the family to the owner if allowable under the selection policy for that project, and the owner and PHA may amend the HAP contract to designate the PBV unit as a VASH PBV unit.

The PHA and owner may agree to amend a PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for VASH families so long as the PHA first consults with the VAMC or DSP. Additionally, the PHA and owner may agree to amend a PBV HAP contract to redesignate a unit specifically designated for VASH families as a regular PBV unit, so long as the unit is not funded through a VASH PBV set-aside award and is eligible for regular PBV (i.e., the unit is not on the grounds of a medical facility and the unit is eligible under the PHA's program and project caps).

Policies for VASH PBV units will generally follow PHA policies for the standard PBV program as listed in Chapter 17, with the exception of the policies listed below.

Failure to Participate in Case Management [FR Notice 9/27/21]

Upon notification by the VAMC or DSP of the family's failure to participate, without good cause, in case management, the PHA must provide the family a reasonable time period to vacate the unit. The PHA must terminate assistance to the family at the earlier of either the time the family vacates or the expiration of the reasonable time period given to vacate.

PHA Policy

Upon notification by the VAMC or DSP that a VASH PBV family has failed to participate in case management without good cause, the PHA will provide written notice of termination of assistance to the family and the owner within 10 business days. The family will be given 60 days from the date of the notice to move out of the unit.

The PHA may make exceptions to this 60-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, the PHA must remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. The PHA may add the removed unit to the HAP contract after the ineligible family vacates the property.

Moves [HUD-VASH Qs and As, FR Notice 9/27/21]

When a VASH PBV family is eligible to move from its PBV unit in accordance with Section 17-VIII.C. of this policy, but there is no other comparable tenant-based rental assistance, the following procedures must be implemented:

- If a VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA may require a family who still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 days.
- If a VASH tenant-based voucher is still not available after that period, the family must be allowed to move with its VASH voucher. Alternatively, the PHA may allow the family to move with its VASH voucher without having to meet this 180-day period. In either case, the PHA is required to replace the assistance in the PBV unit with one of its regular vouchers, unless the PHA and owner agree to temporarily remove the unit from the HAP contract; and
- If a VASH veteran is determined to no longer require case management, the PHA must allow the family to move with the first available tenant-based voucher if not VASH voucher is immediately available and cannot require the family to wait for a VASH voucher to become available.

PART III: MAINSTREAM VOUCHER PROGRAM

18-IV.A. PROGRAM OVERVIEW [Notice PIH 2020-01]

Mainstream vouchers assist non-elderly persons with disabilities and their families in the form of either project-based or tenant-based voucher assistance.

Aside from separate funding appropriations and serving a specific population, Mainstream vouchers follow the same program requirements as standard vouchers. The PHA does not have special authority to treat families that receive a Mainstream voucher differently from other applicants and participants. For example, the PHA cannot apply different payment standards, establish conditions for allowing portability, or apply different screening criteria to Mainstream families.

The Mainstream voucher program, (previously referred to as the Mainstream 5-Year program or the Section 811 voucher program) was originally authorized under the National Affordable Housing Act of 1990. Mainstream vouchers operated separately from the regular HCV program until the passage of the Frank Melville Supportive Housing Investment Act of 2010. Funding for Mainstream voucher renewals and administrative fees was first made available in 2012. In 2017 and 2019, incremental vouchers were made available for the first time since the Melville Act (in addition to renewals and administrative fees), and PHAs were invited to apply for a competitive award of Mainstream vouchers under the FY17 and FY19 NOFAs. In 2020, Notice PIH 2020-22 provided an opportunity for any PHA administering an HCV program to apply for Mainstream vouchers noncompetitively, while Notice PIH 2020-09 authorized an increase in Mainstream voucher units and budget authority for those PHAs already awarded Mainstream vouchers under the FY17 and FY19 NOFAs.

Funds for Mainstream vouchers may be recaptured and reallocated if the PHA does not comply with all program requirements or fails to maintain a utilization rate of 80 percent for the PHA's Mainstream vouchers.

18-IV.B. ELIGIBLE POPULATION [Notice PIH 2020-01 and Notice PIH 2020-22]

All Mainstream vouchers must be used to serve non-elderly persons with disabilities and their families, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old as of the effective date of the initial HAP contract. The eligible disabled household member does not need to be the head of household.

The definition of person with disabilities for purposes of Mainstream vouchers is the statutory definition under section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy.

Existing families receiving Mainstream vouchers, where the eligible family member is now age 62 or older, will not “age out” of the program as long as the family was eligible on the day it was first assisted under a HAP contract.

The PHA may not implement eligibility screening criteria for Mainstream vouchers that is different from that of the regular HCV program.

18-IV.C. PARTNERSHIP AND SUPPORTIVE SERVICES [Notice PIH 2020-01]

PHAs are encouraged but not required to establish formal and informal partnerships with a variety of organizations that assist persons with disabilities to help ensure eligible participants find and maintain stable housing.

PHA Policy

The PHA will implement a Mainstream program, in partnership with Valley Oaks, Tippecanoe County Community Corrections and Lafayette Transitional Housing.

18-IV.D. WAITING LIST ADMINISTRATION

General Waiting List Requirements [Notice PIH 2020-01 and Mainstream Voucher Basics Webinar, 10/15/20]

PHAs must not have a separate waiting list for Mainstream voucher assistance since the PHA is required by the regulations to maintain one waiting list for tenant-based assistance [24 CFR 982.204(f)]. All PHA policies on opening, closing, and updating the waiting list, as well as waiting list preferences in Chapter 4, apply to the Mainstream program.

When the PHA is awarded Mainstream vouchers, these vouchers must be used for new admissions to the PHA's program from the waiting list. The PHA must lease these vouchers by pulling the first Mainstream-eligible family from its tenant-based waiting list. PHAs are not permitted to reassign existing participants to the program in order to make regular tenant-based vouchers available. Further, the PHA may not skip over Mainstream-eligible families on the waiting list because the PHA is serving the required number of Mainstream families.

Upon turnover, vouchers must be provided to Mainstream-eligible families. If a Mainstream turnover voucher becomes available, the PHA must determine if the families at the top of the waiting list qualify under program requirements.

Admission Preferences [Notice PIH 2020-01; FY17 Mainstream NOFA; FY19 Mainstream NOFA]

If the PHA claimed points for a preference in a NOFA application for Mainstream vouchers, the PHA must adopt a preference for at least one of the targeted groups identified in the NOFA.

PHA Policy

The PHA claimed a preference for a targeted group as part of an application for Mainstream vouchers under a NOFA. The PHA will offer the following preference:

Mainstream Referral

18-IV.E. PORTABILITY [Notice PIH 2020-01 and Mainstream Voucher Basics Webinar, 10/15/20]

Mainstream voucher participants are eligible for portability under standard portability rules and all PHA policies regarding portability in Chapter 10, Part II apply to Mainstream families.

The following special considerations for Mainstream vouchers apply under portability:

- If the receiving PHA has a Mainstream voucher available, the participant may remain a Mainstream participant.
 - If the receiving PHA chooses to bill the initial PHA, then the voucher will remain a Mainstream voucher.
 - If the receiving PHA chooses to absorb the voucher, the voucher will be considered a regular voucher, or a Mainstream voucher if the receiving PHA has a Mainstream voucher available, and the Mainstream voucher at the initial PHA will be freed up to lease to another Mainstream-eligible family.
- If the receiving PHA does not have a Mainstream voucher available, the participant may receive a regular voucher.

18-IV.F. PROJECT-BASING MAINSTREAM VOUCHERS [FY19 Mainstream Voucher NOFA Q&A]

The PHA may project-base Mainstream vouchers in accordance with all applicable PBV regulations and PHA policies in Chapter 17. PHAs are responsible for ensuring that, in addition to complying with project-based voucher program requirements, the project complies with all applicable federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), Titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR Part 8; 28 CFR Parts 35 and 36; and 24 CFR Part 100. Mainstream vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A.

PART I: FUNDING

TPS-I.A. FUNDING OVERVIEW

The American Rescue Plan Act of 2021 (ARP) provides administrative fees and funding for the costs of administering emergency housing vouchers (EHVs) and other eligible expenses defined in Notice PIH 2021-15. These fees may only be used for EHV administration and other eligible expenses and must not be used for or applied to other PHA programs or vouchers. The PHA must maintain separate financial records from its regular HCV funding for all EHV funding.

Housing Assistance Payments (HAP) Funding

ARP funding obligated to the PHA as housing assistance payments (HAP) funding may only be used for eligible EHV HAP expenses (i.e., rental assistance payments). EHV HAP funding may not be used for EHV administrative expenses or for the eligible uses under the EHV services fee.

The initial funding term will expire December 31, 2022. HUD will provide renewal funding to the PHA for the EHVs on a calendar year (CY) basis commencing with CY 2023. The renewal funding allocation will be based on the PHA's actual EHV HAP costs in leasing, similar to the renewal process for the regular HCV program. EHV renewal funding is not part of the annual HCV renewal funding formula; EHVs are renewed separately from the regular HCV program. All renewal funding for the duration of the EHV program has been appropriated as part of the ARP funding.

Administrative Fee and Funding

The EHV program provides administrative fee funding to PHAs for expenses that are not normally eligible under the HCV program, as well as fees designated for the cost of administering the EHV program generally. The following ~~four~~ types of fees and funding are allocated as part of the EHV program:

- **Preliminary fees** support immediate start-up costs that the PHA will incur in implementing alternative requirements under EHV, such as outreach and coordination with partnering agencies:
 - \$400 per EHV allocated to the PHA, once the consolidated annual contributions contract (CACC) is amended.
 - This fee may be used for any eligible administrative expenses related to EHVs.
 - The fee may also be used to pay for any eligible activities under EHV service fees (TPS-I. B).
- **Issuing action fees** are one-time fees once the voucher is initially leased:
 - \$100 for each EHV initially leased, if the PHA reports the voucher issuance date in Public Housing Information Center–Next Generation (PIC–NG) system within 14 days of voucher issuance or the date the system becomes available for reporting.
 - Issuing action fees only apply to the initial leasing of the voucher; they are not paid for family moves or to turnover vouchers.
 - This fee may be used for any eligible administrative expenses related to EHVs.

- **Placement fees/~~expedited issuance reporting fees~~** will support initial lease-up costs and the added cost and effort required to expedite leasing of EHV:
 - ~~\$100 for each EHV initially leased, if the PHA reports the voucher issuance date in Public Housing Information Center—Next Generation (PIC—NG) system within 14 days of voucher issuance or the date the system becomes available for reporting.~~
 - Placement fees:
 - o \$500 for each EHV family placed under a HAP contract effective within four months of the effective date of the ACC funding increment; or
 - o \$250 for each EHV family placed under a HAP contract effective after four months but less than six months after the effective date of the ACC funding increment.
 - o HUD will determine placement fees in the event of multiple EHV allocations and funding increment effective dates.
 - Placement/~~expedited issuance~~ fees only apply to the initial leasing of the voucher; they are not paid for family moves or to turnover vouchers.
 - This fee may be used for any eligible administrative expenses related to EHV.
- **Ongoing administrative fees**, which are calculated in the same way as the standard HCV program:
 - PHAs are allocated administrative fees using the full column A administrative fee amount for each EHV under contract as of the first day of each month.
 - Ongoing EHV administrative fees may be subject to proration in future years, based on available EHV funding.
 - This fee may be used for any eligible administrative expenses related to EHV.
- **Services fees**, which are a one-time fee to support PHAs' efforts to implement and operate an effective EHV services program in its jurisdiction (TPS-I.B):
 - The fee is allocated once the PHA's CACC is amended to reflect EHV funding.
 - The amount allocated is \$3,500 for each EHV allocated.
 - This fee may be used for any eligible administrative expenses related to EHV.

TPS-I.B. SERVICE FEES [PIH 2023-23]

Services fee funding must be initially used for defined eligible uses and not for other administrative expenses of operating the EHV program. Service fees fall into four categories:

- Housing search assistance
- Security deposit/utility deposit/rental application/holding fee uses
- Owner-related uses – landlord incentives & retention bonuses
- Other eligible uses such as moving expenses or tenant-readiness services

The PHA must establish the eligible uses and the parameters and requirements for service fees in the PHA's administrative plan.

PHA Policy

The eligible uses for service fees include:

Housing search assistance, which may include activities such as, but not limited to, helping a family identify and visit potentially available units during their housing search, helping to find a unit that meets the household's disability-related needs, providing transportation and directions, assisting with the completion of rental applications and PHA forms, and helping to expedite the EHV leasing process for the family. The PHA may also provide housing mobility services to encourage moves to high opportunity neighborhoods.

Application fees/non-refundable administrative or processing fees/refundable application deposit assistance. The PHA may choose to assist the family with some or all these expenses.

Holding fees are fees an owner requests that are rolled into the security deposit after an application is accepted but before a lease is signed. The PHA may cover part or all of the holding fee for units where the fee is required by the owner after a tenant's application has been accepted but before the lease signing. The PHA and owner must agree how the holding fee gets rolled into the deposit, and under what conditions the fee will be returned. In general, owners need to accept responsibility for making needed repairs to a unit required by the initial housing quality standards (HQS) inspections and can only keep the holding fee if the client is at fault for not entering into a lease.

Security deposit assistance. The amount of the security deposit assistance may not exceed the lesser of two months' rent to owner, the maximum security deposit allowed under applicable state and/or local law, or the actual security deposit required by the owner. The PHA may pay the security deposit assistance directly to the owner or may pay the assistance to the family. If paid to the family, the PHA will require documentation that the family paid the security deposit.

Utility deposit assistance/utility arrears. The PHA may provide utility deposit assistance for some or all of the family's utility deposit expenses. Assistance can be provided for deposits (including connection fees) required for the utilities to be supplied by the tenant under the lease. The PHA may pay the utility deposit assistance directly to the utility company or may pay the assistance to the family. If paid to the family, the PHA will require documentation the family paid the utility deposit. The PHA will require the utility supplier or family to return the utility deposit assistance to the PHA at such time the deposit is returned by the utility supplier (less any amounts retained by the utility supplier). In addition, some families may have large balances with gas, electric, water, sewer, or trash companies that will make it difficult if not impossible to establish services for tenant-supplied utilities. The PHA may also provide the family with assistance to help address these utility arrears to facilitate leasing. Utility deposit assistance returned to the PHA will be used for either services fee eligible uses or other EHV administrative costs, as required by HUD.

Rental arrears to private landlords for admission: The PHA may provide applicants with rental arrear assistance for some or all of the applicant's rental arrears to a private landlord but only if the rental arrear is a barrier to leasing the EHV unit. For example, the EHV family found a landlord, but the landlord will not lease the unit because of the previous rental debt (this may occur if the EHV unit is with the same landlord or management agent). The PHA may choose to pay the rental arrears assistance directly to the private landlord or may pay the rental arrears assistance to the family, provided the PHA verifies the family pays the rental arrears. The PHA may not use the EHV services fee for debts owed by the family to the PHA, another PHA, or a closely associated entity affiliated with the PHA.

Owner recruitment and outreach for EHV's. The PHA may use the service fee funding to conduct owner recruitment and outreach specifically for EHV's. In addition to traditional owner recruitment and outreach, activities may include conducting pre-inspections or otherwise expediting the inspection process, providing enhanced customer service, and offering owner incentive and/or retention payments.

Owner incentive and/or retention payments. The PHA may make incentive or retention payments to owners that agree to initially lease their unit to an EHV family and/or renew the lease of an EHV family. The PHA may also make owner incentive payments for owners with accessible units or owners that will make the unit accessible for a person with disabilities.

Payments will be made as a single payment at the beginning of the assisted lease term (or

lease renewal if a retention payment). Owner incentive and retentions payments are not housing assistance payments, are not part of the rent to owner, and are not taken into consideration when determining whether the rent for the unit is reasonable.

PHA Policy

Effective November 10, 2022 to facilitate occupancy, LHA will pay landlords a one-time bonus of \$2,000 per unit leased for each new lease with a participant using an EHV. LHA will continue to pay above owner incentive fee as long as funds remain available for owner incentive.

Effective November 10, 2022, to facilitate continued occupancy, LHA will pay landlords a one-time bonus of \$1,000 for the first year renewal of an EHV participant.

Moving expenses (including move-in fees and deposits). The PHA may provide assistance for some or all of the family's reasonable moving expenses when they initially lease a unit with the EHV. The PHA **may** ~~will~~ not provide moving expenses assistance for subsequent moves unless the family is required to move for reasons other than something the family did or failed to do (e.g., the PHA is terminating the HAP contract because the owner did not fulfill the owner responsibilities under the HAP contract or the owner is refusing to offer the family the opportunity to enter a new lease after the initial lease term, as opposed to the family choosing to terminate the tenancy in order to move to another unit), or a family has to move due to domestic violence, dating violence, sexual assault, or stalking. **The PHA may provide assistance for storage expenses and lock change fees.**

Pre-Tenancy services and services that support EHV families in fulfilling their family obligations under the EHV program: The PHA may use fees to help create a customized plan to address or mitigate barriers that individual families may face in renting a unit with an EHV, such as negative credit, lack of credit, negative rental or utility history, or to connect the family to other community resources (including COVID-related resources) that can assist with rental arrears. **The PHA may also use the services fee funding to mitigate barriers that individual families may face in maintaining occupancy of a unit with an EHV, such as providing access to case management, wrap-around services, life skills training (e.g., balancing a budget, paying bills on time, opening a savings account, maintaining a living space, securing a credit card, paying off debt, etc.), financial stability training, mental health care (e.g., travel costs to counseling, and co-pay charge, etc.), and/or a stability coordinator. The PHA may also use the services fee for services to remedy a lease violation/prevent an eviction (e.g. rectifying unsanitary living conditions or property damage) and may establish a cap/threshold for this service; this excludes financial assistance for rental/utility arrears. All services and training provided must be voluntary for the family and cannot be a condition of the lease or a PHA requirement for admission continued participation in the EHV program. Additionally, PHAs may pay fees for families to obtain vital documents needed to establish eligibility for the program and/or required by landlords as part of their rental application. (e.g., application fees and costs for birth certificates, reasonable transportation costs to obtain social security cards or other documentation needed for eligibility, etc.).**

Essential household items. The PHA may use services fee funding to assist the family with

some or all of the costs of acquiring essential household items such as **furniture**, tableware, cooking equipment, beds or bedding, and essential sanitary products such as soap, toiletries and **cleaning supplies**.

Renter's insurance if required by the lease. The PHA may choose to assist the family with some or all this cost.

Any services fee assistance that is returned to the PHA after its initial or subsequent use may only be applied to the eligible services fee uses defined in Notice PIH 2021-15 (or subsequent notice) or other EHV administrative costs. Any amounts not expended for these eligible uses when the PHA's EHV program ends must be remitted to HUD.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED MARCH 31, 2023

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
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HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED MARCH 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the "MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority of the City of Lafayette's, (the "Authority") financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position at March 31, 2023, decreased to \$942,756. Since the Authority engages only in business-type activities, the decreased is all in the category of business-type net position. Net position was \$1,018,232 for 2022.
- The business-type activities operating revenues at March 31, 2023, increased to \$9,478,748. Total operating revenues were \$8,032,364 for 2022.
- The total operating expenses of all programs for March 31, 2023, increased to \$9,548,259. Total operating expenses were \$8,482,499 for 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following statements are included:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenue, Expenses, and Changes in Fund Net Position – reports operating and nonoperating revenue, by major source along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, non-capital activities.

PROGRAMS

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participant's rent at 30% or up 40% of household income.

Mainstream Program – Vouchers enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market. The Mainstream program provides 137 vouchers to disabled families.

Emergency Housing Voucher Program – Vouchers assist individuals and families that are homeless, at risk of homelessness, fleeing, attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. The EHV program provides 38 vouchers to disabled families.

Section 8 Homeownership Vouchers – A subset of the HCVP, the Housing Authority administers a Homeownership program to qualified Section 8 Housing Assistance participants to purchase a home. This program is conducted in partnership with Lafayette Homestead Consulting Services.

Tenant Based Rental Assistance Vouchers (TBRA) – The Tenant Based Rental Assistance program funding is provided by HUD's HOME funds through contract with the Lafayette Housing Consortium. TBRA vouchers provide the assistance to households for the first year on the program and then the household is transferred to the Section 8 Housing Choice Voucher program in a seamless manner. This allows the housing authority to assist an additional 12 households from the waiting list annually.

Project Based Voucher Program – Project-based vouchers are a component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of units in an existing development. In March of 2011, the Housing Authority has contracted with Lafayette Transitional Housing to cover 24 units at Lincoln Center, 24 units at the Singles Program and 11 units at the Families Program for an initial period of fifteen years. All 3 programs provide assistance for chronically homeless persons with high barriers. The Housing Authority Project bases 24 units at Friendship House, a senior housing development beginning in November 2021.

Veterans Affairs Supportive Housing (VASH) – The HUD-VASH program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). The VASH program provides 43 vouchers to house homeless Veterans.

Inspection Fees – Since August 1998, the Housing Authority conducts inspections for the City of Lafayette homes that are part of city-funded rehabilitation loans. Annual inspections are required throughout the duration of each loan's term. As these loans expire, the number of inspections required will decrease until which time all loans are complete.

HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG) – A Memorandum of Understanding (MOU) was signed in 2015 for the Lafayette Housing Authority to manage both the HOME and CDBG programs for the City of Lafayette. The HOME program funds a wide range of activities including building, buying and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low -income people. The CDBG program provides communities with resources to address a wide range of unique community development needs benefiting low-income people.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the primary government as a whole.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 842,905	\$ 888,772	\$ (45,867)	-5.16%
Capital Assets, Net	349,411	385,357	(35,946)	-9.33%
Total Assets	<u>1,192,316</u>	<u>1,274,129</u>	<u>(81,813)</u>	-6.42%
Deferred Outflows of Resources	<u>277,035</u>	<u>287,631</u>	<u>(10,596)</u>	-3.68%
Current Liabilities	72,809	117,104	(44,295)	-37.83%
Noncurrent Liabilities	<u>427,041</u>	<u>236,695</u>	<u>190,346</u>	80.42%
Total Liabilities	<u>499,850</u>	<u>353,799</u>	<u>146,051</u>	41.28%
Deferred Inflows of Resources	<u>26,745</u>	<u>189,729</u>	<u>(162,984)</u>	-85.90%
Net Position				
Net Investment in Capital Assets	227,322	257,672	(30,350)	-11.78%
Restricted	47,693	225,893	(178,200)	-78.89%
Unrestricted	<u>667,741</u>	<u>534,667</u>	<u>133,074</u>	24.89%
Total Net Position	<u>\$ 942,756</u>	<u>\$ 1,018,232</u>	<u>\$ (75,476)</u>	-7.41%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets decreased by \$45,867 due to the decreases in restricted cash and accounts receivable, partially offset by increases in unrestricted cash, fraud recovery, and prepaid expenses.

Capital assets decreased by \$35,946 due to normal depreciation exceeding modernization work and capital asset purchases.

Current liabilities decreased by \$44,295, primarily due to a decrease in deferred revenues, slightly offset by increases in the current portion of accrued compensated absences, accounts payable to vendors, and accrued payroll taxes payable.

TABLE 2 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Federal Grants	\$ 9,156,726	\$ 7,704,085	\$ 1,452,641	18.86%
Other	<u>322,022</u>	<u>328,279</u>	<u>(6,257)</u>	-1.91%
Total Operating Revenues	<u>9,478,748</u>	<u>8,032,364</u>	<u>1,446,384</u>	18.01%
Operating Expenses				
Administration	1,033,276	949,523	83,753	8.82%
Tenant Services	58,433	4,560	53,873	1181.43%
Utilities	11,203	9,591	1,612	16.81%
Maintenance	32,428	37,239	(4,811)	-12.92%
General	41,318	60,143	(18,825)	-31.30%
Housing Assistance Payments	8,322,465	7,353,579	968,886	13.18%
Other Operating Expenses - Fraud Loss	-	6,518	(6,518)	-100.00%
Depreciation	<u>49,136</u>	<u>61,346</u>	<u>(12,210)</u>	-19.90%
Total Operating Expenses	<u>9,548,259</u>	<u>8,482,499</u>	<u>1,065,760</u>	12.56%
Operating Income (loss)	<u>(69,511)</u>	<u>(450,135)</u>	<u>380,624</u>	-84.56%
Nonoperating revenues (expenses)				
Interest Revenue	285	302	(17)	-5.63%
Interest Expense	<u>(6,250)</u>	<u>(5,809)</u>	<u>(441)</u>	7.59%
Total Nonoperating Activity	<u>(5,965)</u>	<u>(5,507)</u>	<u>(458)</u>	8.32%
Change in Net Position	(75,476)	(455,642)	380,166	-83.44%
Beginning Net Position	<u>1,018,232</u>	<u>1,473,874</u>	<u>(455,642)</u>	-30.91%
Ending Net Position	<u>\$ 942,756</u>	<u>\$ 1,018,232</u>	<u>\$ (75,476)</u>	-7.41%

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Net position decreased by \$75,476 due to operating expenses exceeding operating revenues.

The Authority had an operating loss of \$69,511 including non-cash depreciation expense of \$49,136 versus an operating loss of \$450,135 and depreciation expense of \$61,346 in the prior year.

Total operating revenues increased by \$1,446,384 to \$9,478,748 due to an increase in federal grants.

Total operating expenses increased by \$1,065,760 to \$9,548,259 primarily due to increases in housing assistance payments, tenant services, administration, and utilities expenses.

CAPITAL ASSETS

As of March 31, 2023, investment in capital assets for its business-type activities was \$349,411, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. See footnote 3 to the financial statements for further detail.

Major capital asset purchases during the current fiscal year included the following:

- Office equipment
- HVAC reconfiguration

There were no major capital asset disposals during the current fiscal year.

DEBT OUTSTANDING

As of year-end, the Authority had \$122,089 in debt outstanding compared to \$127,685 last year, a decrease of \$5,596. This debt is in the form of mortgages payable.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation, recession, and employment trends, which can affect resident incomes.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Ms. Michelle Reynolds
Executive Director
2601 Greenbush Street
Lafayette, IN 47904



Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Lafayette

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Lafayette (the "Authority"), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of March 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 1-4, schedule of changes in net pension liability – defined benefit pension plan on page 21, schedule of employer contributions – defined benefit pension plan on page 22, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying supplemental data, including the financial data schedule, statement of net position – by program, and statement of revenue, expenses, and changes in fund net position – by program are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, statement of net position – by program, statement of revenue, expenses, and changes in fund net position – by program, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control over financial reporting and compliance.

Henderson & Pilleteri, LLC

Birmingham, AL
October 23, 2023



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Lafayette

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Lafayette (the "Authority"), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 23, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henderson & Pilleteri, LLC

Birmingham, AL
October 23, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Lafayette

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Lafayette's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Henderson & Pilletieri, LLC

Birmingham, AL
October 23, 2023

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
STATEMENT OF NET POSITION
ENTERPRISE FUND
MARCH 31, 2023

ASSETS

Current assets:

Unrestricted cash and cash equivalents	\$ 635,542
Restricted cash and cash equivalents	47,693
Due from HUD	4,797
Fraud recovery receivable, net	147,294
Prepaid expenses and other assets	<u>7,579</u>
Total current assets	<u>842,905</u>

Noncurrent assets:

Capital assets:

Land and construction in progress	193,900
Buildings and equipment, net of depreciation	<u>155,511</u>
Total capital assets	<u>349,411</u>
Total assets	<u>1,192,316</u>

DEFERRED OUTFLOWS OF RESOURCES

Difference between expected and actual experience	6,529
Changes in assumptions	41,008
Net difference between projected and actual earnings on pension plan investments	37,365
Changes in employer proportionate share of plan contributions	159,730
Employer contributions subsequent to measurement date	<u>32,403</u>
Total deferred outflows of resources	<u>277,035</u>

LIABILITIES

Current liabilities:

Accounts payable	8,657
Accrued liabilities	16,917
Unearned revenue	11,558
Notes payable, current portion	5,970
Compensated absences	<u>29,707</u>
Total current liabilities	<u>72,809</u>

Noncurrent liabilities:

Notes payable, net of current portion	116,119
Compensated absences, net of current portion	8,154
Accrued pension liability	<u>302,768</u>
Total noncurrent liabilities	<u>427,041</u>
Total liabilities	<u>499,850</u>

DEFERRED INFLOWS OF RESOURCES

Difference between expected and actual experience	1,151
Changes in assumptions	12,953
Changes in employer proportionate share of plan contributions	<u>12,641</u>
Total deferred inflows of resources	<u>26,745</u>

NET POSITION

Net investment in capital assets	227,322
Restricted	47,693
Unrestricted	<u>667,741</u>
Total net position	<u>\$ 942,756</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
YEAR ENDED MARCH 31, 2023

OPERATING REVENUES	
Federal grants	\$ 9,156,726
Other	<u>322,022</u>
Total operating revenues	<u>9,478,748</u>
OPERATING EXPENSES	
Administration	1,033,276
Tenant services	58,433
Utilities	11,203
Maintenance	32,428
General	41,318
Housing assistance payments	8,322,465
Depreciation	<u>49,136</u>
Total operating expenses	<u>9,548,259</u>
Operating income (loss)	(69,511)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	285
Interest expense	<u>(6,250)</u>
Change in net position	(75,476)
Total net position - beginning of the year	<u>1,018,232</u>
Total net position - end of the year	<u><u>\$ 942,756</u></u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
YEAR ENDED MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tenants	\$ (50,438)
Federal grants	9,205,145
Other receipts	280,580
Payments to suppliers and Section 8 landlords	(8,635,347)
Payments to or on behalf of employees	<u>(814,954)</u>
Net cash provided (used) by operating activities	<u>(15,014)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(13,190)
Principal payments on capital debt	(5,596)
Interest payments on capital debt	<u>(6,250)</u>
Net cash provided (used) by capital financing activities	<u>(25,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest revenue	<u>285</u>
Net cash provided (used) by investing activities	<u>285</u>
Net increase (decrease) in cash and cash equivalents	(39,765)
Balances - beginning of the year	<u>723,000</u>
Balances - end of the year	<u><u>\$ 683,235</u></u>
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (69,511)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	49,136
Pension expense	114,981
Change in assets and liabilities:	
Receivables, net	11,481
Prepays and other assets	(5,379)
Accounts payable	645
Unearned revenue	(54,942)
Deferred outflows of resources	(74,869)
Other liabilities	(931)
Accrued liabilities	3,564
Compensated absences	<u>10,811</u>
Net cash provided (used) by operating activities	<u><u>\$ (15,014)</u></u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of Lafayette (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “enterprise fund” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Housing Authority of the City of Lafayette was established by the City of Lafayette pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Authority is a special-purpose governmental unit as an entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in Tippecanoe County, Indiana. The governing body of the Authority is composed of a 6 member appointed Board of Commissioners (the “Board”). The Mayor appoints the Board, who in turn hires the Executive Director (ED). The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management. The Authority has no component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority’s financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund’s activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs when restricted and unrestricted net position is available. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

All receivables are current and due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when materials and supplies are deemed obsolete.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

H. Capital Assets

Capital assets include property, furniture, equipment, and machinery. Capital assets with initial, individual costs that equal or exceed \$2,500 and estimated useful lives of over one year, or those costs selected at the discretion of the Executive Director, are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10
Furniture, equipment, and machinery	5

I. Compensated Absences

Full-time employees are allowed to accrue annual leave and sick leave on the last day of each month. Employees accumulate annual leave monthly and all vacation will be paid out upon separation unless the employee is not past the probationary period. Annual leave cannot be carried over from year to year; however, employees who separate and are past the probationary period will receive pay for an unused portion of leave accumulated during that year. Sick leave accumulated is paid upon separation provided that the employee is at least 60 years old with 10 years of service or the employee has 25 years of service at any age and is in the process of retirement. Employees may accumulate up to 375 hours of accumulated sick leave, which will be paid out at a rate of \$10 per hour. The majority of employees utilize their annual accrual of vacation during the year accrued. The Authority records compensated absences in the period they use a systematic allocation process to allocate between short-term and long-term liability classification.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Unearned Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Recent Accounting Pronouncements

The Authority has adopted GASB Statement No.87, *Leases*. Among other things, this statement requires that government lessee: recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee’s right to use the leased asset; and - report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease. This statement also requires that government lessors: recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. The adoption of GASB Statement No. 87 had no material effect on the Authority’s March 31, 2023 financial statements.

The Authority has adopted GASB Statement No.97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The adoption of GASB Statement No. 97 had no material effect on the Authority’s March 31, 2023 financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD and the State of Indiana IC 36-7-18-19 approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At March 31, 2023, cash was in bank deposits or money market funds that were insured or collateralized with securities held by the Authority or by its agent through the State of Indiana’s collateralization program. Cash balances at March 31, 2023 totaled \$683,235. The Authority held no investments during the year.

Interest Rate Risk – The Authority’s formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority’s formal investment policy does not specifically address credit risk, other than the limitations of Indiana state law and/or HUD regulations. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk – The Authority’s policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Concentration of Credit Risk – The Authority’s investment policy does not restrict the amount that the Authority may invest in any one issuer.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 3 – CAPITAL ASSETS

Changes in Capital Assets

Capital asset activity for the year ended March 31, 2023 was as follows:

	Beginning Balance	Additions	Decreases	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 193,900	\$ -	\$ -	\$ -	\$ 193,900
Total capital assets not being depreciated	<u>193,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,900</u>
Capital assets being depreciated					
Buildings and improvements	275,631	-	-	-	275,631
Equipment	415,490	13,191	-	-	428,681
Total capital assets being depreciated	<u>691,121</u>	<u>13,191</u>	<u>-</u>	<u>-</u>	<u>704,312</u>
Less accumulated depreciation for:					
Buildings and improvements	(174,599)	(20,755)	-	-	(195,354)
Equipment	(325,066)	(28,381)	-	-	(353,447)
Total accumulated depreciation	<u>(499,665)</u>	<u>(49,136)</u>	<u>-</u>	<u>-</u>	<u>(548,801)</u>
Capital assets, net	<u>\$ 385,356</u>	<u>\$ (35,945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,411</u>

NOTE 4 – NONCURRENT LIABILITIES

Noncurrent liabilities at March 31, 2023 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensated absences	\$ 27,050	\$ 10,811	\$ -	\$ 37,861	\$ 29,707
Notes payable	127,685	-	5,596	122,089	5,970
Net pension liability	110,268	254,371	61,871	302,768	-
Total noncurrent liabilities	<u>\$ 265,003</u>	<u>\$ 265,182</u>	<u>\$ 67,467</u>	<u>\$ 462,718</u>	<u>\$ 35,677</u>

NOTE 5 – NOTES AND LOANS PAYABLE

The Authority entered into a loan agreement with Security Federal Savings Bank in the amount of \$150,000. The loan bears an interest rate of 4.375%. The Authority is required to make monthly payments on principal and interest and thus, the amount of principal that is currently due within the next 12 months of \$5,970 is classified as a current liability, with the remaining balance of \$116,119 being classified and presented as a noncurrent liability on the face of the statement of net position. For the year ended March 31, 2023, the amount of interest incurred and charged to expense related to this loan payable was \$6,250 and the amount of debt principal payments amounted to \$5,596.

The following are the debt service requirements to maturity on the Authority's loan payable:

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 5 – NOTES AND LOANS PAYABLE (Continued)

	Principal	Interest	Total
For the year ending March 31, 2024	5,970	5,298	11,268
For the year ending March 31, 2025	6,339	4,929	11,268
For the year ending March 31, 2026	6,622	4,646	11,268
For the year ending March 31, 2027	6,917	4,351	11,268
For the year ending March 31, 2028	7,226	4,042	11,268
For the year ending March 31, 2029 - 2033	41,257	15,085	56,342
For the year ending March 31, 2034 - 2038	47,758	5,054	52,812
	<u>\$ 122,089</u>	<u>\$ 43,405</u>	<u>\$ 165,494</u>

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Public Employee’s Defined Benefit Account is a cost-sharing, multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS). For additional details about the plan, please refer to Note 1 – Descriptions of System and Funds in the Annual Comprehensive Financial Report (ACFR) located on the INPRS website.

Special Funding Situation

This pension plan does not have a special funding situation.

Basis of the Allocation

Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer’s proportionate share. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with how contributions to the pension plan are determined.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2022 using member census data as of June 30, 2021. Standard actuarial roll-forward techniques were used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date. The valuation was performed using the assumptions in place at the time of the valuation as reported within the System’s ACFR as of June 30, 2022.

There were no changes in actuarial assumptions for the June 30, 2022 actuarial valuation. An assumption study was concluded in February 2020 and an asset-liability study was concluded in May 2021. For further information reference Note 8 in the PERF Actuarial Valuation report located on the INPRS website.

The following major assumption remain the same after the experience study:

- The investment return assumption is 6.25 percent.
- The price inflation assumption is 2.00 percent per year.
- Future salary increase rates are a service-based table ranging from 2.65 percent to 8.65 percent per year.
- The following COLAS, compounded annually are assumed: 0.4 percent beginning on January 1, 2024, 0.5 percent beginning on January 1, 2034, and 0.6 percent beginning on January 1, 2039.
- The mortality tables are based upon the Pub-2010 family of tables, with specific adjustments for healthy employees, retiree, beneficiaries, and disabled members. Mortality tables are all projected generationally using SOA scale MP-2019.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 6 – DEFINED BENEFIT PENSION PLAN (Continued)

The changes in the net pension liability for June 30, 2022 is calculated as set forth in the following table:

Net pension liability (asset) - beginning July 1, 2021	\$110,268
Deferred Outflows/Inflows	\$139,390
Total pension expense (income)	\$114,981
Defined benefit plan employer contributions	(\$61,871)
 Net pension liability (asset) - ending June 30, 2022	 \$302,768

Amortization of Collective Deferred Outflows and Inflows of Resources

Annual changes to the net pension liability (asset) resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over the average of the expected service lives of all plan participants.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,529	\$ 1,151
Changes of assumptions	41,008	12,953
Net difference between projected and actual earnings on pension plan investments	37,365	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	159,730	12,641
Authority contributions subsequent to the measurement date	32,403	-
Total	\$ 277,035	\$ 26,745

The net difference between projected and actual earnings on pension plan investments are amortized over a 5- year period.

Year ended March 31:	
2024	89,359
2025	88,343
2026	659
2027	39,526
2028	-
Thereafter	-

Deferred outflows of resources and deferred inflows of resources resulting from changes in an individual employer’s proportion are amortized over the expected service lives of the plan participants.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2023

NOTE 6 – DEFINED BENEFIT PENSION PLAN (Continued)

Average Expected Remaining Service Lives

The average expected remaining service life of the pension plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan, including retirees. The total future service years of the plan are determined using the mortality, termination, retirement, and disability assumptions associated with the plan. The average expected remaining service lives is used to amortize all deferred outflows and inflows of resources, except for the difference between expected and actual investment earnings, which is amortized over five years.

<u>Years</u>	<u>Remaining Amortization</u>
June 30, 2022	3.73
June 30, 2021	2.82
June 30, 2020	1.84
June 30, 2019	0.86

Collective Pension Expense

As part of the plan expense, employer's service purchase credits (specific liabilities of individual employers) as expensed in the year purchased. The total pension expense allocated to employers has been reduced by the amount of contributions paid by INPRS.

Sensitivity Analysis

The following table presents the net pension liability of the Authority calculated using the discount rate of 6.25 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (5.25 percent) or 1.00 percent higher (7.25 percent) than the current rate.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Authority's proportionate share of the net pension liability	\$ 511,486	\$ 302,768	\$ 128,682

NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 8 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

NOTE 10 – RESTRICTED NET POSITION

Restricted Net Position consists of excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers and Mainstream Vouchers programs. These funds are to be used only for HAP expenditures for the program. These funds are also known as Restricted Net Position since there is no offsetting liability. Total restricted net position related to this excess was \$47,693 as of the end of the fiscal year.

NOTE 11 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through October 23, 2023 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

In December of 2019, COVID-19 emerged and has subsequently spread throughout the world. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

NOTE 12 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense from operating activities and includes investment revenue and capital grant revenue in operating activities, which differs from the presentation of the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – DEFINED BENEFIT PENSION PLAN
YEAR ENDED MARCH 31, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability (asset)	0.0000960%	0.0000838%								
Authority's proportionate share of the net pension liability (asset)	\$302,768	\$ 110,268								
Authority's covered-employee payroll	\$552,436	\$ 462,044								
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.81%	23.87%								
Plan fiduciary net position as a percentage of the total pension liability	82.48%	92.51%								

* The amounts presented for each fiscal year were determined as of 6/30.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 SCHEDULE OF EMPLOYER CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN
 YEAR ENDED MARCH 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 61,871	\$ 25,873								
Contributions in relation to the contractually required contribution	\$ (61,871)	\$ (25,873)								
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Authority's covered-employee payroll	\$ 552,436	\$557,855								
Contributions as a percentage of covered-employee payroll	11.20%	4.64%								

* The amounts presented for each fiscal year were determined as of 3/31.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
SUPPLEMENTARY INFORMATION – STATEMENT OF NET POSITION – BY PROGRAM
MARCH 31, 2023

	<u>State/Local</u>	<u>Housing Choice Vouchers</u>	<u>Mainstream Vouchers</u>	<u>Emergency Housing Vouchers</u>	<u>TOTAL</u>
ASSETS					
Unrestricted cash and cash equivalents	\$ 9,697	\$ 452,736	\$ 143,642	29,467	\$ 635,542
Restricted cash and cash equivalents	-	45,976	1,717	-	47,693
Due from HUD	-	-	-	4,797	4,797
Fraud recovery receivable, net	-	147,294	-	-	147,294
Prepaid expenses and other assets	-	7,579	-	-	7,579
Capital assets:					
Land and construction in progress	-	193,900	-	-	193,900
Buildings and equipment, net of depreciation	-	<u>155,511</u>	-	-	<u>155,511</u>
Total capital assets	-	<u>349,411</u>	-	-	<u>349,411</u>
Total assets	<u>9,697</u>	<u>1,002,996</u>	<u>145,359</u>	<u>34,264</u>	<u>1,192,316</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension	59,510	217,525	-	-	277,035
LIABILITIES					
Accounts payable	-	8,624	33	-	8,657
Accrued liabilities	-	16,917	-	-	16,917
Unearned revenue	-	2,196	445	8,917	11,558
Noncurrent liabilities:					
Due within one year:					
Notes payable, current portion	-	5,970	-	-	5,970
Compensated absences, current portion	-	29,707	-	-	29,707
Due in more than one year:					
Notes payable, net of current portion	-	116,119	-	-	116,119
Accrued pension liability	66,058	236,710	-	-	302,768
Compensated absences, net of current portion	-	<u>8,154</u>	-	-	<u>8,154</u>
Total liabilities	<u>66,058</u>	<u>424,397</u>	<u>478</u>	<u>8,917</u>	<u>499,850</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pension	4,936	21,809	-	-	26,745
NET POSITION					
Net investment in capital assets	-	227,322	-	-	227,322
Restricted	-	45,976	1,717	-	47,693
Unrestricted	<u>(1,787)</u>	<u>501,017</u>	<u>143,164</u>	<u>25,347</u>	<u>667,741</u>
Total net position	<u>\$ (1,787)</u>	<u>\$ 774,315</u>	<u>\$ 144,881</u>	<u>\$ 25,347</u>	<u>\$ 942,756</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 SUPPLEMENTARY INFORMATION – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
 NET POSITION – BY PROGRAM
 YEAR ENDED MARCH 31, 2023

	State/Local	Housing Choice Vouchers	Mainstream Vouchers	Emergency Housing Vouchers	TOTAL
OPERATING REVENUES					
Federal grants	\$ -	\$ 8,210,367	\$ 736,703	\$ 209,656	\$ 9,156,726
Other	<u>207,545</u>	<u>113,077</u>	<u>200</u>	<u>1,200</u>	<u>322,022</u>
Total operating revenues	<u>207,545</u>	<u>8,323,444</u>	<u>736,903</u>	<u>210,856</u>	<u>9,478,748</u>
OPERATING EXPENSES					
Administration	185,845	792,536	41,814	13,081	1,033,276
Tenant services	-	-	-	58,433	58,433
Utilities	-	11,203	-	-	11,203
Maintenance	-	32,428	-	-	32,428
General	20,828	20,490	-	-	41,318
Housing assistance payments	-	7,506,365	617,948	198,152	8,322,465
Depreciation	<u>-</u>	<u>49,136</u>	<u>-</u>	<u>-</u>	<u>49,136</u>
Total operating expenses	<u>206,673</u>	<u>8,412,158</u>	<u>659,762</u>	<u>269,666</u>	<u>9,548,259</u>
Operating income (loss)	872	(88,714)	77,141	(58,810)	(69,511)
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	-	285	-	-	285
Interest expense	<u>-</u>	<u>(6,250)</u>	<u>-</u>	<u>-</u>	<u>(6,250)</u>
Change in net position	872	(94,679)	77,141	(58,810)	(75,476)
Total net position - beginning of the year	<u>(2,659)</u>	<u>868,994</u>	<u>67,740</u>	<u>84,157</u>	<u>1,018,232</u>
Total net position - end of the year	<u>\$ (1,787)</u>	<u>\$ 774,315</u>	<u>\$ 144,881</u>	<u>\$ 25,347</u>	<u>\$ 942,756</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED MARCH 31, 2023

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Housing Voucher Cluster:		
Housing Choice Vouchers	14.871	8,279,078
Mainstream Vouchers	14.879	<u>736,703</u>
Total Housing Voucher Cluster		<u>9,015,781</u>
Emergency Housing Voucher Program	14.871	<u>209,656</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 9,225,437</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended March 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? _____ Yes x None Reported

Is any noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? _____ Yes x None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes x No

Identification of major federal programs or clusters:

Housing Voucher Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x Yes _____ No

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings

None.

To the Board of Commissioners
Housing Authority of the City of Lafayette

Independent Accountant's Report

We have performed the procedures enumerated below, which was agreed to by the Housing Authority of the City of Lafayette ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package for the year ended March 31, 2023. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended March 31, 2023.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the chart below under "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and, if applicable, the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and/or any other standards or requirements to be followed. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below for the year ended March 31, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & Pilleteri, LLC

Birmingham, AL
October 23, 2023

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 MARCH 31, 2023

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	Total
111 Cash - Unrestricted	\$9,697	\$143,642	\$452,736	\$29,467	\$635,542	\$635,542
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		\$1,717	\$45,976		\$47,693	\$47,693
114 Cash - Tenant Security Deposits						
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$9,697	\$145,359	\$498,712	\$29,467	\$683,235	\$683,235
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects				\$4,797	\$4,797	\$4,797
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants						
126.1 Allowance for Doubtful Accounts - Tenants						
126.2 Allowance for Doubtful Accounts - Other				\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery		\$13,232	\$372,301	\$10,520	\$396,053	\$396,053
128.1 Allowance for Doubtful Accounts - Fraud		(\$13,232)	(\$225,007)	(\$10,520)	(\$248,759)	(\$248,759)
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$147,294	\$4,797	\$152,091	\$152,091
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets			\$7,579		\$7,579	\$7,579
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From						
145 Assets Held for Sale						
150 Total Current Assets	\$9,697	\$145,359	\$653,585	\$34,264	\$842,905	\$842,905
161 Land			\$193,900		\$193,900	\$193,900
162 Buildings			\$275,631		\$275,631	\$275,631
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration			\$428,681		\$428,681	\$428,681
165 Leasehold Improvements						
166 Accumulated Depreciation			(\$548,801)		(\$548,801)	(\$548,801)
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$349,411	\$0	\$349,411	\$349,411
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets	\$0		\$0		\$0	\$0
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$0	\$0	\$349,411	\$0	\$349,411	\$349,411
200 Deferred Outflow of Resources	\$59,510		\$217,525		\$277,035	\$277,035

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 MARCH 31, 2023

	2 State/Local	14,879 Mainstream Vouchers	14,871 Housing Choice Vouchers	14,EHV Emergency Housing Voucher	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$69,207	\$145,359	\$1,220,521	\$34,264	\$1,469,351	\$1,469,351
311 Bank Overdraft						
312 Accounts Payable <= 90 Days		\$33	\$8,624		\$8,657	\$8,657
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable			\$16,917		\$16,917	\$16,917
322 Accrued Compensated Absences - Current Portion			\$29,707		\$29,707	\$29,707
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits						
342 Unearned Revenue		\$445	\$2,196	\$8,917	\$11,558	\$11,558
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$5,970		\$5,970	\$5,970
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$0	\$478	\$63,414	\$8,917	\$72,809	\$72,809
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$116,119		\$116,119	\$116,119
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current			\$8,154		\$8,154	\$8,154
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$66,058		\$236,710		\$302,768	\$302,768
350 Total Non-Current Liabilities	\$66,058	\$0	\$360,983	\$0	\$427,041	\$427,041
300 Total Liabilities	\$66,058	\$478	\$424,397	\$8,917	\$499,850	\$499,850
400 Deferred Inflow of Resources	\$4,936		\$21,809		\$26,745	\$26,745
508.4 Net Investment in Capital Assets			\$227,322		\$227,322	\$227,322
511.4 Restricted Net Position		\$1,717	\$45,976		\$47,693	\$47,693
512.4 Unrestricted Net Position	(\$1,787)	\$143,164	\$501,017	\$25,347	\$667,741	\$667,741
513 Total Equity - Net Assets / Position	(\$1,787)	\$144,881	\$774,315	\$25,347	\$942,756	\$942,756
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$69,207	\$145,359	\$1,220,521	\$34,264	\$1,469,351	\$1,469,351

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED MARCH 31, 2023

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	Total
70300 Net Tenant Rental Revenue						
70400 Tenant Revenue - Other						
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$736,703	\$8,210,367	\$209,656	\$9,156,726	\$9,156,726
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted			\$285		\$285	\$285
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		\$200	\$40,042	\$1,200	\$41,442	\$41,442
71500 Other Revenue	\$207,545		\$73,035		\$280,580	\$280,580
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$207,545	\$736,903	\$8,323,729	\$210,856	\$9,479,033	\$9,479,033
91100 Administrative Salaries	\$119,192	\$32,743	\$417,631	\$12,324	\$581,890	\$581,890
91200 Auditing Fees			\$14,450		\$14,450	\$14,450
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$292		\$3,069		\$3,361	\$3,361
91500 Employee Benefit contributions - Administrative	\$44,909	\$3,564	\$217,969		\$266,442	\$266,442
91600 Office Expenses	\$19,592	\$3,007	\$127,610	\$757	\$150,966	\$150,966
91700 Legal Expense	\$1,188		\$4,231		\$5,419	\$5,419
91800 Travel	\$672		\$7,576		\$8,248	\$8,248
91810 Allocated Overhead						
91900 Other		\$2,500			\$2,500	\$2,500
91000 Total Operating - Administrative	\$185,845	\$41,814	\$792,536	\$13,081	\$1,033,276	\$1,033,276
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other				\$58,433	\$58,433	\$58,433
92500 Total Tenant Services	\$0	\$0	\$0	\$58,433	\$58,433	\$58,433
93100 Water						
93200 Electricity						
93300 Gas						
93400 Fuel						
93500 Labor						

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED MARCH 31, 2023

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	Total
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense			\$11,203		\$11,203	\$11,203
93000 Total Utilities	\$0	\$0	\$11,203	\$0	\$11,203	\$11,203
94100 Ordinary Maintenance and Operations - Labor			\$2,050		\$2,050	\$2,050
94200 Ordinary Maintenance and Operations - Materials and Other						
94300 Ordinary Maintenance and Operations Contracts			\$30,378		\$30,378	\$30,378
94500 Employee Benefit Contributions - Ordinary Maintenance						
94000 Total Maintenance	\$0	\$0	\$32,428	\$0	\$32,428	\$32,428
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance						
96120 Liability Insurance						
96130 Workmen's Compensation						
96140 All Other Insurance			\$9,679		\$9,679	\$9,679
96100 Total insurance Premiums	\$0	\$0	\$9,679	\$0	\$9,679	\$9,679
96200 Other General Expenses	\$20,828				\$20,828	\$20,828
96210 Compensated Absences			\$10,811		\$10,811	\$10,811
96300 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rents						
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$20,828	\$0	\$10,811	\$0	\$31,639	\$31,639
96710 Interest of Mortgage (or Bonds) Payable			\$6,250		\$6,250	\$6,250
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$6,250	\$0	\$6,250	\$6,250
96900 Total Operating Expenses	\$206,673	\$41,814	\$862,907	\$71,514	\$1,182,908	\$1,182,908
97000 Excess of Operating Revenue over Operating Expenses	\$872	\$695,089	\$7,460,822	\$139,342	\$8,296,125	\$8,296,125
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$617,948	\$7,437,654	\$198,152	\$8,253,754	\$8,253,754
97350 HAP Portability-In			\$68,711		\$68,711	\$68,711
97400 Depreciation Expense			\$49,136		\$49,136	\$49,136
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED MARCH 31, 2023

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	Total
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$206,673	\$659,762	\$8,418,408	\$269,666	\$9,554,509	\$9,554,509
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$872	\$77,141	(\$94,679)	(\$58,810)	(\$75,476)	(\$75,476)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$5,596	\$0	\$5,596	\$5,596
11030 Beginning Equity	(\$2,659)	\$67,740	\$868,994	\$84,157	\$1,018,232	\$1,018,232
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors						
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity			\$728,339		\$728,339	\$728,339
11180 Housing Assistance Payments Equity			\$45,976		\$45,976	\$45,976
11190 Unit Months Available		1,644	15,180	456	17,280	17,280
11210 Number of Unit Months Leased		1,256	14,506	270	16,032	16,032
11270 Excess Cash						
11610 Land Purchases						
11620 Building Purchases						
11630 Furniture & Equipment - Dwelling Purchases						
11640 Furniture & Equipment - Administrative Purchases						
11650 Leasehold Improvements Purchases						
11660 Infrastructure Purchases						
13510 CFFP Debt Service Payments						
13901 Replacement Housing Factor Funds						

Lafayette Housing Authority
B.2 Goals and Objectives
5-Year Plan
2020 -2024

Statement of Progress
Year 3
April 1, 2022 – March 31, 2023

PHA Goal 1: Advocate for and participate in efforts to expand affordable housing options in the community.

Objective 1.1: Apply for special purpose Housing Choice Vouchers (HCV) such as Mainstream, HUD-VASH, FYI, SV or FUP.

Housing Choice Voucher Program (HCVP)

SV – Stability Vouchers

The Stability Voucher initiative makes Housing Choice Voucher (HCV) assistance available in partnership with local Continuum's of Care and/or Victim Service Providers to assist households experiencing or at risk of homelessness, those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, human trafficking, and veterans and families that include a veteran family member that meets one of the proceeding criteria.

In April of 2023, LHA applied for stability vouchers. In June 2023, LHA was one of 5 Indiana housing authorities to receive these SV vouchers. LHA was awarded \$30,068 in budget authority and SV Special Fee funding for 5 vouchers.

EHV- Emergency Housing Vouchers

The EHV program assists individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

In June 2021, LHA was one of 11 Indiana housing authorities to receive these non-competitive EHV vouchers. LHA was awarded \$228,384 in budget authority for 38 vouchers, Service Fees \$133,000, Preliminary Fees \$15,200, and \$30,000 in Administrative Fees.

Mainstream Vouchers

Mainstream Voucher Program serves those who are disabled and non-elderly with a focus on people coming out of segregated settings.

LHA was previously awarded \$433,718 in budget authority to support 70 Mainstream housing choice vouchers from the 2019. LHA applied for was

awarded \$185,027 in budget to support an additional 35 Mainstream housing choice. In the last round May 2020, LHA received HAP funding of \$165,844 due to extraordinary circumstances to support 32 families. Total Vouchers 137

HUD- VASH Vouchers

LHA applied and was awarded 5 HUD-VASH vouchers in December of 2020. In two previous rounds, LHA was awarded 38 HUD-VASH vouchers. Total Vouchers 43

FYI (Foster Youth Initiative)

In October 2020, LHA entered a MOU with the Department of Child and Social Services to administer HUD FYI vouchers. *Foster Youth to Independence Initiative* targets housing assistance to young people aging out of foster care and who are at extreme risk of experiencing homelessness. The initiative offers housing vouchers to prevent or end homelessness among young adults under the age of 25 who are, or have recently left, the foster care system without a home to go to. These vouchers are applied for from HUD as soon as the referrals and sent to the housing authority. LHA currently assists 1 FYI voucher.

Objective 1.2: Proactively seek development partnerships to create new opportunities for affordable housing using tools such as project-based vouchers.

Project Base vouchers for seniors

Friendship House – This project of 24 senior units was completed in the of spring 2022 with leasing beginning in October.

Project Base vouchers for chronically homeless

LHA currently has Project-Based vouchers in three housing projects that focus on chronically homeless individuals (48) and families (11).

Project Base vouchers for seniors

Jeffersonian is submitting its tax credit application and LHA has committed 10 project-based vouchers.

YWCA DVIPP (Domestic Violence Intervention Prevention Program)

LHA was awarded HOME funding to provide housing assistance to families participating in the DVIPP Fresh Start program. This program is designed to help domestic violence survivors. The Fresh Start Program gives 12 months of rent assistance to low-income domestic violence victims. The voucher starts after the victim is ready to leave the YWCA's domestic violence shelter.

Objective 1.3: Evaluate need to form a not-for-profit organization for affordable housing development.

LHA continues to research the process of forming a not-for-profit organization. The articles of incorporation and bylaws have been drawn up.

Objective 1.4: Collaborate with community partners to study and advocate for affordable housing.

Collaborating with Area IV CAP agency to recruit landlords.

PHA Goal 2: Increase the availability of decent, safe and affordable housing.

Objective 2.1: Improve the quality of assisted housing by continuing to strive for high levels of voucher management (SEMAP score).

Maintain HQS inspectors' certification and continue professional development.

Objective 2.2: Increase assisted housing choices by conducting outreach efforts to potential voucher landlords.

LHA has made efforts by being more accessible especially post-pandemic and provided information to intervene and prevent evictions. LHA is coordinating with the local CAP agency to hold a landlord workshop.

Objective 2.3: Conduct a survey to assess satisfaction of the program and gather information from participant needs and seek continuous improvement.

As part of the recertification process, participants complete a satisfaction survey.

PHA Goal 3: Ensure equal housing opportunity in housing.

Objective 3.1: Ensure equal opportunity and affirmatively further fair housing by continuing to follow the policies that the Lafayette Housing Authority has adopted.

Objective 3.2: Provide annual training to staff to recognize fair housing issues and stay updated on fair housing practices.

Staff attended virtual annual fair housing training.

Objective 3.3: Train staff to refer participants to the Human Relations Commission, Indiana Civil Right Commission, Fair Housing Center of Central Indiana or Indiana Legal Services.

ED serves on the City of Lafayette Human relations Commission and attends civil rights conferences and Fair Housing seminars and training.

Objective 3.4: Educate landlords by keeping the landlord handbook up to date and hold a landlord workshop to learn about the regulations, benefits, and expectations of the HCV program.

The LHA landlord handbook has been updated. LHA is working with the local CAP agency to hold a joint landlord workshop.

PHA Goal 4: Operate the Housing Choice Voucher (HCV) Program as efficiently as possible to provide the most possible benefit to the community.

Objective 4.1: Review and revise HCV policies and procedures to provide the best possible service most efficiently to clients and landlords.

Objective 4.2: Evaluate key agency processes (e.g. interim rent reviews, triennial recertifications, etc.) to identify opportunities for streamlining and clarification.

Deputy Director meets with program committee to discuss admin plan changes.

Objective 4.3: Invest in staff training, employee development, and management tools to improve agency operations, foster innovation, and expand staff leadership capacity.

Staff members go through certification training and exam, regular staff meetings are held as well as team-building activities.

PHA Goal 5: Use technology to improve client service, be more efficient, and promote Housing Authority programs.

Objective 5.1: Upgrade agency information technology tools, including web and mobile capabilities.

The pandemic put a strain on the staff and they needed to have access to the housing authority especially when there was a shelter in place order. With the CARES Act funding the housing authority purchased laptops for each employee to enable them to work remotely.

Objective 5.2: Implement new technology strategy for the HCV application and recertification processes.

LHA converted software to PHA-web which is providing a more user-friendly environment for applicants and participants. LHA purchased a kiosk to aid our participants in recertification tasks.

Statement of Progress
Year 2
April 1, 2021 – March 31, 2022

PHA Goal 1: Advocate for and participate in efforts to expand affordable housing options in the community.

Objective 1.1: Apply for special purpose Housing Choice Vouchers (HCV) such as Mainstream, HUD-VASH, FYI or FUP.

Housing Choice Voucher Program (HCVP)

EHV- Emergency Housing Vouchers

The EHV program assists individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

In June 2021, LHA was one of 11 Indiana housing authorities to receive these non-competitive EHV vouchers. LHA was awarded \$228,384 in budget authority for 38 vouchers, Service Fees \$133,000, Preliminary Fees \$15,200, and \$30,000 in Administrative Fees.

Mainstream Vouchers

Mainstream Voucher Program serves those who are disabled and non-elderly with a focus on people coming out of segregated settings.

LHA was previously awarded \$433,718 in budget authority to support 70 Mainstream housing choice vouchers from the 2019. LHA applied for was awarded \$185,027 in budget to support an additional 35 Mainstream housing choice. In the last round May 2020, LHA received HAP funding of \$165,844 due to extraordinary circumstances to support 32 families. Total Vouchers 137

HUD- VASH Vouchers

LHA applied and was awarded 5 HUD-VASH vouchers in December of 2020. In two previous rounds, LHA was awarded 38 HUD-VASH vouchers. Total Vouchers 43

FYI (Foster Youth Initiative)

In October 2020, LHA entered a MOU with the Department of Child and Social Services to administer HUD FYI vouchers. *Foster Youth to Independence Initiative* targets housing assistance to young people aging out of foster care and who are at extreme risk of experiencing homelessness. The initiative offers housing vouchers to prevent or end homelessness among young adults under the age of 25 who are, or have recently left, the foster care system without a home to go to. These vouchers are applied for from HUD as soon as the referrals and sent to the housing authority.

Objective 1.2: Proactively seek development partnerships to create new opportunities for affordable housing using tools such as project-based vouchers.

Project Base vouchers for seniors

Friendship House – This project of 24 senior units was completed in the of spring 2022.

Project Base vouchers for chronically homeless

LHA currently has Project-Based vouchers in three supportive housing projects that focus on chronically homeless individuals (48) and families (11).

Project Base vouchers for seniors

Jeffersonian is submitting its tax credit application and LHA has committed 10 project-based vouchers.

City of Lafayette partnership

LHA continue to administer rental vouchers for the City of Lafayette through their HOME funding stream which provides rental assistance for 11-18 additional families.

YWCA DVIPP (Domestic Violence Intervention Prevention Program)

LHA was awarded HOME funding to provide housing assistance to families participating in the DVIPP Fresh Start program. This program is designed to help domestic violence survivors. The Fresh Start Program gives 12 months of rent assistance to low-income domestic violence victims. The voucher starts after the victim is ready to leave the YWCA's domestic violence shelter.

Objective 1.3: Evaluate need to form a not-for-profit organization for affordable housing development.

LHA continues to research the process of forming a not-for-profit organization. The articles of incorporation and bi-laws have been drawn up.

PHA Goal 2: Increase the availability of decent, safe and affordable housing.

Objective 2.1: Improve the quality of assisted housing by continuing to strive for high levels of voucher management (SEMAP score).

Post-pandemic, the housing authority maintained HQS and continued on an abbreviated schedule. Maintain HQS inspectors' certification and continue professional development.

Objective 2.2: Increase assisted housing choices by conducting outreach efforts to potential voucher landlords.

LHA has made efforts by being more accessible especially post-pandemic and provided information to intervene and prevent evictions.

Objective 2.3: Conduct a survey to assess satisfaction of the program and gather information from participant needs and seek continuous improvement.

As part of the recertification process, participants complete a satisfaction survey.

PHA Goal 3: Ensure equal housing opportunity in housing.

Objective 3.1: Ensure equal opportunity and affirmatively further fair housing by continuing to follow the policies that the Lafayette Housing Authority has adopted.

Objective 3.2: Provide annual training to staff to recognize fair housing issues and stay updated on fair housing practices.

Staff attended virtual annual fair housing training.

Objective 3.3: Train staff to refer participants to the Human Relations Commission, Indiana Civil Right Commission, Fair Housing Center of Central Indiana or Indiana Legal Services.

ED serves on the City of Lafayette Human relations Commission and attends civil rights conferences and Fair Housing seminars and training.

Objective 3.4: Educate landlords by keeping the landlord handbook up to date and hold a landlord workshop to learn about the regulations, benefits, and expectations of the HCV program.

The LHA landlord handbook has been updated. Landlord workshops have been slow to schedule post-pandemic.

PHA Goal 4: Operate the Housing Choice Voucher (HCV) Program as efficiently as possible to provide the most possible benefit to the community.

Objective 4.1: Review and revise HCV policies and procedures to most efficiently provide the best possible service to clients and landlords.

Objective 4.2: Evaluate key agency processes (e.g. interim rent reviews, triennial recertifications, etc.) to identify opportunities for streamlining and clarification.

Deputy Director meets with program committee to discuss admin plan changes.

Objective 4.3: Invest in staff training, employee development, and management tools to improve agency operations, foster innovation, and expand staff leadership capacity.

Staff members go thorough certification training and exam, regular staff meetings are held as well as team-building activities.

PHA Goal 5: Use technology to improve client service, be more efficient, and promote Housing Authority programs.

Objective 5.1: Upgrade agency information technology tools, including web and mobile capabilities.

The pandemic put a strain on the staff and they needed to have access to the housing authority especially when there was a shelter in place order. With the CARES Act funding the housing authority purchased laptops for each employee to enable them to work remotely.

Objective 5.2: Implement new technology strategy for the HCV application and recertification processes.

LHA converted software to PHA-web which is providing a more user-friendly environment for applicants and participants. LHA will be purchasing a kiosk to aid our participants in recertification tasks.

Statement of Progress
Year 1
April 1, 2020 – March 31, 2021

PHA Goal 1: Advocate for and participate in efforts to expand affordable housing options in the community.

Objective 1.1: Apply for special purpose Housing Choice Vouchers (HCV) such as Mainstream, HUD-VASH, FYI or FUP.

Housing Choice Voucher Program (HCVP)

CARES Act

The CARES Act provided funding to PHAs to “prevent, prepare for, and respond to coronavirus, including to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus.” In the fall of 2020, LHA was awarded CARES Act HAP funding due to extraordinary circumstances for \$563,876 and CARES Act Admin funding of \$324,082.

Mainstream Vouchers

Mainstream Voucher Program serves those who are disabled and non-elderly with a focus on people coming out of segregated settings.

CARES Act

LHA received HAP Mainstream funding of \$165,844 due to extraordinary circumstances to support 32 families. In addition, CARES Act Mainstream administrative funding was provided in two rounds in the amounts of \$1,992 and \$6,256

LHA was previously awarded \$433,718 in budget authority to support 70 Mainstream housing choice vouchers from the 2019. LHA applied for was awarded \$185,027 in budget to support an additional 35 Mainstream housing choice.

HUD- VASH Vouchers

LHA applied and was awarded 5 HUD-VASH vouchers in December of 2020. In two previous rounds, LHA was awarded 38 HUD-VASH vouchers.

FYI (Foster Youth Initiative)

In October, LHA entered into a MOU with the Department of Child and Social Services to administer HUD FYI vouchers. *Foster Youth to Independence Initiative* targets housing assistance to young people aging out of foster care and who are at extreme risk of experiencing homelessness. The initiative offers housing vouchers to prevent or end homelessness among young adults under the age of 25 who are, or have recently left, the foster care system without a home to go to. These vouchers are applied for from HUD as soon as the referrals and sent to the housing authority.

Objective 1.2: Proactively seek development partnerships to create new opportunities for affordable housing using tools such as project-based vouchers.

With the pandemic in full force during our fiscal year, the housing authority's ability to solicit new projects was limited. Firm commitments have been made for 2 senior projects and one is nearing completion.

Project Base vouchers for chronically homeless

LHA currently has Project-Based vouchers in three supportive housing projects that focus on chronically homeless individuals (48) and families (11).

Project Base vouchers for seniors

Friendship House – This project is in its final stages of construction of 24 senior units with a completion date of Fall of 2021.

Project Base vouchers for seniors

Jeffersonian is submitting its tax credit application and LHA has committed 10 project-based vouchers.

City of Lafayette partnership

LHA continue to administer rental vouchers for the City of Lafayette through their HOME funding stream which provides rental assistance for 11-18 additional families.

YWCA DVIPP (Domestic Violence Intervention Prevention Program)

LHA was awarded HOME funding to provide housing assistance to families participating in the DVIPP Fresh Start program. This program is designed to help domestic violence survivors. The Fresh Start Program gives 12 months of rent assistance to low-income domestic violence victims. The voucher starts after the victim is ready to leave the YWCA's domestic violence shelter

PHA Goal 2: Increase the availability of decent, safe and affordable housing.

Objective 2.1: Improve the quality of assisted housing by continuing to strive for high levels of voucher management (SEMAP score).

During the pandemic, the housing authority maintained HQS and continued on an abbreviated schedule. Maintain HQS inspectors' certification and continue professional development.

Objective 2.2: Increase assisted housing choices by conducting outreach efforts to potential voucher landlords.

LHA has made efforts by being more accessible especially during the pandemic and provided information to intervene and prevent evictions.

PHA Goal 3: Ensure equal housing opportunity in housing.

Objective 3.2: Provide annual training to staff to recognize fair housing issues and stay updated on fair housing practices.

Staff attended virtual annual fair housing training.

Objective 3.3: Train staff to refer participants to the Human Relations Commission, Indiana Civil Right Commission, Fair Housing Center of Central Indiana or Indiana Legal Services.

ED serves on the City of Lafayette Human relations Commission and attends civil rights conferences and Fair Housing seminars and training.

PHA Goal 4: Operate the Housing Choice Voucher (HCV) Program as efficiently as possible to provide the most possible benefit to the community.

Objective 4.1: Review and revise HCV policies and procedures to most efficiently provide the best possible service to clients and landlords.

Objective 4.2: Evaluate key agency processes (e.g. interim rent reviews, triennial recertifications, etc.) to identify opportunities for streamlining and clarification.

Deputy Director meets with program committee to discuss admin plan changes.

PHA Goal 5: Use technology to improve client service, be more efficient, and promote Housing Authority programs.

Objective 5.1: Upgrade agency information technology tools, including web and mobile capabilities.

The pandemic put a strain on the staff and they needed to have access to the housing authority especially when there was a shelter in place order. With the CARES Act funding the housing authority purchased laptops for each employee to enable them to work remotely.

Objective 5.2: Implement new technology strategy for the HCV application and recertification processes.

LHA has decided to convert software to PHA-web which will provide a more user friendly environment for applicants and participants.

Statement of Progress
April 1, 2019 – March 31, 2020

PHA Goal 1: Advocate for and participate in efforts to expand affordable housing options in the community.

Objective 1.1: Apply for special purpose Housing Choice Vouchers (HCV) such as Mainstream, HUD-VASH or FUP.

Mainstream Vouchers

LHA was awarded \$433,718 in budget authority for a 12-month term to support 70 Mainstream housing choice vouchers from the 2019 Mainstream Voucher Program who are disabled and non-elderly with a focus on people coming out of segregated settings. LHA applied for and was awarded \$185,027 in budget authority for a 12-month term to support 35 Mainstream housing choice vouchers from the Mainstream Voucher Program.

HUD- VASH Vouchers

LHA was awarded 5 HUD-VASH vouchers in November 2019 and an additional vouchers in March 2020. LHA has previously been awarded HUD-VASH and with the additional 5 vouchers LHA will have a total of 38.

HAP Set-Aside

LHA has applied for funding under the CY 2019 HAP Set-aside Portability and HUD-VASH. LHA received Portability Set-aside of \$17,655 and \$5,768 and HUD-VASH set-aside of \$6,145.

FUP (Family Unifications Program) FYI (Foster Youth Initiative)

LHA was not awarded Family Unification Program (FUP) vouchers for families for whom the lack of adequate housing which is a primary factor in the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care. LHA will be entering into a MOU with the Department of Child and Social Services to administer HUD FYI vouchers. *Foster Youth to Independence Initiative* targets housing assistance to young people aging out of foster care and who are at extreme risk of experiencing homelessness. The initiative offers housing vouchers to prevent or end homelessness among young adults under the age of 25 who are, or have recently left, the foster care system without a home to go to

Objective 1.2: Proactively seek development partnerships to create new opportunities for affordable housing using tools such as project-based vouchers.

Project Base vouchers for chronically homeless

LHA currently has Project-Based vouchers in three supportive living projects that house chronically homeless individuals (48) and families (11).

Project Base vouchers for seniors

Friendship House - LHA has approval to project base new construction of 24 senior units with a projected completion date of Spring 2021.

Wallick Community - LHA has approval to project base new construction of 9 senior units in West Lafayette with a tax credit application submitted.

City of Lafayette partnership

LHA continue to administer rental vouchers for the City of Lafayette through their HOME funding stream which provides rental assistance for 11-18 additional families.

YWCA DVIPP (Domestic Violence Intervention Prevention Program)

LHA was awarded HOME funding to provide housing assistance to families participating in the DVIPP Fresh Start program. This program is designed to help domestic violence survivors. The Fresh Start Program gives 12 months of rent assistance to low-income domestic violence victims. The voucher starts after the victim is ready to leave the YWCA's domestic violence shelter

PHA Goal 2: Increase the availability of decent, safe and affordable housing.

Objective 2.1: Improve the quality of assisted housing by continuing to strive for high levels of voucher management (SEMAP score)

Maintain HQS inspectors' certification and continue professional development.

Objective 2.2: Increase assisted housing choices by conducting outreach efforts to potential voucher landlords.

Boodskapper is a machine learning-based software for the inspection department to optimize schedules and routes. Boodskapper is a chat-based case management platform with a built-in virtual assistant. Applicants have better access to the landlords.

PHA Goal 3: Ensure equal housing opportunity in housing.

Objective 3.2: Provide annual training to staff to recognize fair housing issues and stay updated on fair housing practices.

Staff attended virtual annual fair housing training.

Objective 3.3: Train staff to refer participants to the Human Relations Commission, Indiana Civil Right Commission, Fair Housing Center of Central Indiana or Indiana Legal Services.

ED serves on the City of Lafayette Human relations Commission and attends civil rights conferences and Fair Housing seminars and training.

PHA Goal 4: Operate the Housing Choice Voucher (HCV) Program as efficiently as possible to provide the most possible benefit to the community.

Objective 4.1: Review and revise HCV policies and procedures to most efficiently provide the best possible service to clients and landlords.

Objective 4.2: Evaluate key agency processes (e.g. interim rent reviews, triennial recertifications, etc.) to identify opportunities for streamlining and clarification.

Deputy Director meets with program committee to discuss admin plan changes.

PHA Goal 5: Use technology to improve client service, be more efficient, and promote Housing Authority programs.

Objective 5.1: Upgrade agency information technology tools, including web and mobile capabilities.

Web-based server for housing software will allow better access to housing specialist in processing files.

Microsoft 365 has been deployed on all desktops and laptops.

Objective 5.2: Implement new technology strategy for the HCV application and recertification processes.

Recertification Portal with enable LHA safely post their residents' annual re-exam. Streamline is simple and designed for ease-of-use. Residents log in and step easily through the process including uploading documentation and contacting their caseworker online for questions.

Boodskapper is a machine learning-based software for the inspection department to optimize schedules and routes. Boodskapper is a chat-based case management platform with a built-in virtual assistant.