

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO. H.A. 03-13

A RESOLUTION OF THE HOUSING AUTHORITY
OF THE CITY OF LONG BEACH, CALIFORNIA,
AMENDING CHAPTER 6, SECTION E OF THE
ADMINISTRATIVE PLAN, RELATIVE TO PROVIDING FOR
A MINIMUM MONTHLY RENT OF \$50

WHEREAS, the U. S. Department of Housing and Urban Development
("HUD") requires that housing authorities receiving grants from the federal government
adopt an administrative plan for the Section 8 Housing Assistance Payments Program
operated by housing authorities (the "Administrative Plan"); and

WHEREAS, Chapter 6 was added to the Administrative Plan and adopted
on October 10, 1995 as Resolution H.A. 5-95, defining the allowable deductions from
annual income and how the presence or absence of household members may affect the
total tenant payment; and

WHEREAS, the Housing Authority of the City of Long Beach, California
desires to revise Chapter 6, Section E of the Administrative Plan, to set the minimum
tenant rent at fifty dollars (\$50) per month;

NOW, THEREFORE, the Housing Authority of the City of Long Beach,
California resolves as follows:

Section 1. The administrative plan adopted October 10, 1995 as
Resolution H.A. 5-95 ("Administrative Plan") and amended from time to time is further
amended by replacing Chapter 6 in its entirety with Exhibit "A" attached to this resolution.

Section 2. The Administrative Plan, as revised herein, shall continue to
be the policy of the Housing Authority of the City of Long Beach, California for the Section
8 Housing Assistance Payments Program.

Section 3. The Clerk will certify to the passage of this resolution by the

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Housing Authority of the City of Long Beach, California, and it will immediately take effect.

I certify that the foregoing resolution was adopted by the Housing Authority of the City of Long Beach, California, at its meeting of November 12, 2013, by the following vote of the qualified members of the Authority:

Ayes: Commissioners: DeLong, O'Donnell, Andrews, Johnson,
Austin, Neal, Tanzer, Lowenthal.

Noes: Commissioners: None.

Absent: Commissioners: Schipske, Garcia.

Log Haven
City Clerk



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CERTIFICATE OF RECORDING OFFICER

I, the undersigned, the duly qualified and acting Clerk of the Housing Authority of the City of Long Beach, California, do certify:

1. That the attached resolution is a true and correct copy of a resolution as finally adopted by a duly called meeting of the Housing Authority of the City of Long Beach, California held on November 12, 2013 and duly recorded in the official records of the Governing Body; that the resolution has not been amended, modified, or rescinded, and is now in full force and effect;

2. That the meeting was duly convened and held in all respects in accordance with law; that to the extent required by law, due and proper notice of the meeting was given; that a legal quorum was present throughout the meeting and that a legally sufficient number of members of the Housing Authority of the City of Long Beach, California voted in the proper manner for adoption of the resolution; that all other requirements and proceedings under the law incident to the proper adoption or passage of the resolution, including publication, if required, have been duly fulfilled, carried out, and otherwise observed; that I am authorized to execute this Certificate; and that the seal affixed below constitutes the official seal of the Housing Authority of the City of Long Beach, California and this Certificate is executed under that official seal.

IN WITNESS WHEREOF, I have set my hand on November 12, 2013.



Larry Herrera

(Signature)
LARRY HERRERA
CITY CLERK

EXHIBIT "A"

CHAPTER 6 FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION

INTRODUCTION [24 CFR 813]

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 813 and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation. The HA's policies in the Chapters address those areas which allow the HA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES

Family Income: (used to calculate TTP) is defined by HUD regulation. In accordance with this regulation, all income from all sources for each member of the household is included in the calculation.

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

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

HUD has five allowable deductions from Annual Income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family member who are 18 and older who are full-time students or who are disabled.
2. 'Elderly' allowance: \$400 for families whose head or spouse is 62 or over or disabled.
3. Allowable medical expenses for all family members are deducted for 'elderly' families.

4. Child care expenses for children under 13 are deducted when child care is necessary to allow an **adult** member to be employed or attend school.
5. Allow for attendant care or auxiliary apparatus for person with disabilities if needed to enable the individual or an **adult** family member to be employed.

B. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT

[24 CFR 813.106, 982.54 (d)(10), 982.551 (h) (2), (3), (7)]

The HA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the HA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

Income of person permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. The HA will evaluate absences from the unit using this policy.

Absence of Entire Family [24CFR 982.54(10)]

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the HA will terminate assistance in accordance with appropriate termination procedures contained in the Plan.

Families are required both to notify the HA before they move out of a unit and to give the HA information about any family absence from the unit. Families must notify the HA if they are going to be absent from the unit for more than 90 consecutive days.

If the entire family is absent from the assisted unit for more than 90 consecutive days, the unit will be considered to be vacated and the assistance will be terminated. "Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the HA may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors and property owner or manager
- Verify if utilities are in service
- Visit the Unit

As an accommodation, a person with a disability may request an extension of time, for additional consecutive days for which that person may be absent from the unit, provided that the total consecutive days of absence do not exceed 180 consecutive days.

Absence of Any Member [24 CFR 982.54 (10)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 90 consecutive days except as otherwise provided in this Chapter.

Absence Due to Medical Reasons [24 CFR 982.54 (10)]

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the HA's "Absence of Entire Family" policy.

Absence Due to Incarceration

If the sole member or any member of the household is incarcerated for 30 or more consecutive days, s/he will be considered permanently absent.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, the HA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 90 days from the date of removal of the child/ren, the Certificate/Voucher size will be reduced. If one or more children are removed from the home permanently, the certificate or voucher size will be reduced in accordance with the HA's subsidy standards.

Absence of Adult

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the HA will treat that adult as a visitor for the first 90 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Certificate of Voucher will be transferred to the caretaker.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the HA will secure verification from social services staff of the attorney as the status.

When the HA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. The HA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him or her from the home, the nature of the court order will be evaluated to determine if the person will be considered permanently or temporarily absent.

If any adult family member lease the household for any reason, the family must report the change in family composition in writing to the HA within 30 days.

Time extension will be granted as an accommodation upon request by a person with a disability.

Voluntary Absence

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who 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 be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Certificate/Voucher size.

Visitors

A visitor who is unable to provide satisfactory evidence of residence at another address will be deemed to be an unauthorized family member.

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days, or a total of 60 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a family member.

Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the HA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered member of the household may visit for up to 60 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member.

Reporting Additions to Owner and HA

Reporting changes in household composition is both a HUD and an HA requirement.

If a family member leaves the household, the family must report this change to the HA, in writing, within 30 days of the change and certify as to whether the member is temporarily absent or permanently absent.

The HA will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

C. AVERAGING INCOME [24 CFR 813.106 (d)]

When Annual Income cannot be estimated for a full twelve months, the HA may in this order:

1. Average known sources of income that vary to compute an annual income;
2. Annualize current income and conduct an interim reexamination if income changes;
3. Extrapolate income from previous year(s)' earnings.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

D. MINIMUM INCOME [24 CFR 5.630]

There is no minimum income requirement. Families who report zero income are required to complete a written certification every 90 days.

E. MINIMUM RENT:

The minimum rent a tenant shall pay is \$50

Exemptions from the minimum rent will be granted to any family if it is determined that the family is unable to pay the amount due to financial hardship, unless the hardship is temporary. Financial hardship includes circumstances in which families:

- Have lost eligibility or are awaiting an eligibility determination for a federal, state or local assistance program, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- Would be evicted as a result of imposing the minimum rent requirement;
- Experience income decrease because of changed circumstances including the loss of employment;
- Have a death in the family; or
- Have other circumstances as determined by the Housing Authority or HUD

If a family requests a hardship exception, the Housing Authority will suspend the minimum rent charge and adjust the HAP payment effective on the first of the month following the change in the family's circumstances. The Housing Authority will request documentation of the hardship and will determine promptly if the hardship is temporary or long term.

If the hardship is determined to be temporary, the minimum rent will be suspended for a period of 90 days from the dated of the family's request and reviewed quarterly thereafter. At the end of the 90-day period, the minimum rent will be reinstated retroactively to the date of suspension.

F. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME
[24 CFR 813.106 (a)]

If a family member is permanently (more than 90 days) confined to a hospital or nursing home and there is a family member left in the household, the HA will calculate the Total Tenant Payment in one of two ways:

- a. If the income of the confined person goes directly to the facility, the income and the medical expenses are excluded (treat as permanently absent),

Or

- b. If the income of the confined person goes directly to the family member, the income and the medical expenses are included (treat as temporarily absent).

G. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 813.106 (B)(7)]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received on a regular basis will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures" for further definition.)

If the family's expenses exceed its known income, the HA will question the family about contributions and gifts.

H. ALIMONY AND CHILD SUPPORT [24 CFR 813.106 (b)(7)]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the HA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

The HA will accept as verification that the family is receiving an amount less than the award if:

- The HA receives verification from the agency responsible for enforcement or collection.

- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

I. LUMP-SUM RECEIPTS [24 CFR 813.106 (b)(4)]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump-sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing. In order to determine amount of retroactive tenant rent that the family owes as a result of the lump-sum payment:

The HA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

1. The entire lump-sum payment will be added to the annual income at the time of the interim
2. The lump-sum will be treated as an asset for any interims which occur prior to the next annual recertification.

Retroactive Calculation Methodology

1. The HA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
2. The HA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the HA.

At the HA's option, the HA may enter into a Repayment Agreement with the family. If the HA determines that the family committed fraud, the termination process will be initiated.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum payment, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

J. CONTRIBUTIONS TO RETIRMENT FUNDS – ASSETS

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

K. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

The HA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

L. CHILD CARE EXPENSES [24 CFR 813.102]

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school.

In case of a child attending private school, only after-hours care can be counted as child care expenses.

Child care expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the child care. Examples of those adult members who would be considered incapable to care for the child include:

- The abuser in a documented child abuse situation, or
- A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allowable deductions for child care expenses are based on the following guidelines:

Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).

Amount of Expense: The HA uses the prevailing local charges by care providers as a guideline. If the hourly rate materially exceeds the guideline, the HA may calculate the allowance using the guideline.

M. MEDICAL EXPENSES [24 CFR 813.102 (d)]

Medical expenses, as defined by HUD rules will be used as a guide to determine allowable expenses. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Acupressure, acupuncture and related herbal medicines, and chiropractic services must be prescribed by doctors or service care providers to be considered allowable medical expenses.

N. PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES [24 CFR 812.11]

Applicability

Proration of assistance must be offered to any “mixed” applicant or participant family. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

“Mixed” families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter 12, “Recertifications.”) Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

O. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

[24 CFR 813.102, 813.108]

The same Utility Allowance Schedule is used for both Certificates and Vouchers.

The Utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a family's actual consumption. The HA will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families along with their Certificate of Voucher. The utility allowance is based on the actual unit size selected.

Where families provided their own range and refrigerator, the HA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriated appliance over a 60 month period.

Where the Utility Allowance exceeds the family's Total Tenant Payment, the HA will provided a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant.