



BOARD OF COMMISSIONERS
MONTHLY BUSINESS MEETING

SEPTEMBER 27, 2023

9:00 A.M.

W. ANDREW BOSS BUILDING
555 N. WABASHA ST.

- I. ROLL CALL
- II. OATH OF OFFICE; COMMISSIONER KEVIN LINDSEY; COMMISSIONER LEONARD THOMAS
- III. CONVENE BOARD OF COMMISSIONERS ANNUAL MEETING (SEPARATE AGENDA)
- IV. MISSION MOMENT
- V. INTRODUCTION OF NEW STAFF:
- VI. APPROVAL OF MEETING MINUTES: AUGUST 23, 2023
- VII. REVIEW OF BILLS AND COMMUNICATIONS: BANK REGISTERS FOR AUGUST 2023
- VIII. SEARCH COMMITTEE UPDATE
- IX. UNFINISHED BUSINESS
- X.A. NEW BUSINESS CONSENT ITEMS**

The following items are considered to be routine or non-controversial and will be approved in one motion, without discussion. If a Board member or other meeting attendee wishes to discuss a particular item, that person should inform the Chair and the item will be moved to the Discussion portion of the agenda.

 1. EMPLOYEE RECOGNITION
 2. CANCEL NOVEMBER BOARD MEETING AND CHANGE DATE OF DECEMBER BOARD MEETING; MARCH 2024 BOARD MEETING DATES
 3. SALARY FOR NEW RESIDENT SERVICES SENIOR MANAGER: RENTAL ADMINISTRATOR
 4. ELEVATOR MODERNIZATION AT EDGERTON HI-RISE (PROJECT 3); CONTRACT NO. 24-069

5. JOB RECLASSIFICATIONS: ADMINISTRATIVE SUPPORT ASSISTANT:
OFFICE CLERK AND ADMINISTRATIVE SUPPORT ASSISTANT:
RECEPTIONIST

X.B. NEW BUSINESS DISCUSSION ITEMS

1. AUDIT REPORT FOR FY 2023; FINANCIAL AND COMPLIANCE REPORTS FOR THE FISCAL YEAR ENDING MARCH 31, 2023
2. PUBLIC HOUSING AND HOUSING CHOICE VOUCHER PROGRAMS ADMISSIONS AND OCCUPANCY POLICY (AOP) UPDATES; HOTMA

XI. INFORMATIONAL ITEMS

- A. CITY OF SAINT PAUL CITY COUNCIL RESOLUTION 23-1158; PHA BOARD APPOINTMENTS; KEVIN LINDSEY AND LEONARD THOMAS
- B. PHA BOARD OF COMMISSIONERS APPOINTMENT; LABOR REPRESENTATIVE
- C. LETTER TO ANDY RODRIGUEZ, DIRECTOR OF PARKS & RECREATION; REQUEST FOR TREE REMOVAL ASSISTANCE
- D. LETTER TO RUSS STARK, CHIEF RESILIENCE OFFICE; REQUEST FOR TREE REMOVAL ASSISTANCE
- E. LETTER FROM CONGRESSWOMAN BETTY MCCOLLUM; IMPROVE HOUSING VOUCHER UTILIZATION
- F. DIRECTORS AND OFFICERS LIABILITY INSURANCE AND EMPLOYMENT PRACTICES LIABILITY INSURANCE; NON-COMPETITIVE CONTRACT
- G. NON-COMPETITIVE PURCHASE; PURCHASE ORDER NO. 24477; HERMAN MILLER WORKSTATION COMPONENTS
- H. INVESTMENT REPORT FOR ALL PROGRAMS AS OF SEPTEMBER 27, 2023
- I. HOUSING CHOICE VOUCHER (HCV) PROGRAMS; VETERANS AFFAIRS SUPPORTIVE HOUSING
- J. HOUSING CHOICE VOUCHER (HCV) PROGRAMS; SEMAP UTILIZATION 3RD QUARTER UPDATE
- K. VOUCHER MANAGEMENT SYSTEM ON-SITE VALIDATION REVIEW
- L. MEMO FROM CHIEF FINANCIAL OFFICER WILLIAM WALLO; POTENTIAL FEDERAL GOVERNMENT SHUTDOWN

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Employee Recognition**DATE** September 27, 2023

Staff requests Board approval to award PHA employees a special one-half day off in recognition of the Agency's continued success on a national level and the hard work and accomplishments of approximately 240 dedicated staff members. If the Board approves this recommendation, a certificate for this time off will be given to employees at the annual recognition breakfast, which is scheduled for October 5, 2023.

The half-day off will be provided to all staff who were regular PHA employees and temporary employees who were eligible for benefits as of October 1, 2023. The time off must be used by December 31, 2023, and must be taken on a single day. Regular part-time employees will be extended this recognition on a pro-rated basis. Use of the recognition time off will be subject to the same approvals as other vacation days and floating holidays, to allow supervisors to plan staffing and workloads.

MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTORREGARDING Cancel November Board Meeting and
Change Date of December Board Meeting;
March 2024 Board Meeting Dates

DATE September 27, 2023

Staff recommends Board approval to cancel the November regular business meeting because it appears there will be no business items for consideration. Staff also recommends changing the date of the December regular business meeting from the fourth Wednesday, December 27, to the third Wednesday, December 20, 2023. Holding the meeting a week early will facilitate approval of necessary business items when more Commissioners and staff are able to be present. Board packets will be delivered to the Commissioners on Friday, December 15, 2023.

Staff is also recommending Board approval of March 13, 2024, as a second Board meeting date in March 2024 for budget discussions. If approved, Board packets will be delivered to the Commissioners on Friday, March 8, 2024, for the March 13 meeting; and on Friday, March 22, 2024, for the March 27 meeting.

The Agency By-Laws state that “[R]egular meetings shall be held on at least three days’ notice on the fourth Wednesday of each month at 9:00 a.m. or at such other date and time within the month as the Board of Commissioners at a regular or special meeting shall designate.” (Article VIII.)

MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Salary for New Resident Services
Senior Manager: Rental Administrator**DATE** September 27, 2023

Staff recommends Board approval of a salary increase that exceeds the pay range maximum for the new Resident Services Senior Manager: Rental Administrator. On September 14, 2023, staff concluded the hiring process for Tara Johnson as the new Resident Services Senior Manager: Rental Administrator, pending Board approval of the salary. The Rental Administrator position is key to ensuring the success of the PHA policy changes and strategies to increase occupancy approved by the Board at the August 23, 2023, meeting (Board Report attached). Staff offered and Ms. Johnson accepted a salary increase of 20% for the internal lateral position change from Resident Services Senior Manager in Hi-Rise Management to Resident Services Senior Manager: Rental Administrator.

With a current salary of \$56.55/hour (\$117,624/year), the proposed rate would put Ms. Johnson's total salary at \$67.86 per hour (\$141,149/year), which exceeds the pay range maximum for the D61 band/grade/subgrade of the PHA's Policies for Supervisory and Confidential (S&C) employees. Staff determined that a salary increase of 20% was necessary to secure the best qualified candidate. As a result, staff recommend a base pay of \$56.55 per hour, with the increase paid in quarterly lump sum payments for all paid standard work hours and not added to the employee's base salary, in accordance with Article 8.32 of the S&C Policies. Starting Ms. Johnson at a salary of \$67.86 per hour is commensurate with her experience and allows for

the selection of a strong candidate for a highly important and visible job, where successful performance is necessary to ensure Agency goals are met.

While lateral moves are not typically treated as promotions and do not always result in a pay increase, this is a unique circumstance where higher pay was required to select the most qualified candidate for the position. The PHA is experiencing historically high vacancy levels in PHA-owned housing. Accepting the Rental Administrator position requires knowingly taking on a unique and daunting challenge, and the incumbent's success will have a direct impact on the Agency's overall performance.

The Rental Administrator position was posted online twice since August 1, 2022, initially as a continuous posting ("open until filled") in NEOGOV (Neogov.com/Governmentjobs.com). The posting was closed on November 30, 2022. A total of 13 applications were received during the first posting, none of which had the Multifamily Housing or waiting list management experience necessary to ensure success in this role. Since then, the Resident Services Director and Executive Director made several internal interim assignments of current staff to temporarily cover the duties of the Rental Administrator and provide additional support in the Rental Office. (Those employees have the Agency's appreciation; thank you Blia Jurewitsch, Charisse Brown, Tara Johnson, Thomas Rea, and Jordan Huckleby.) The position was posted again on August 14, 2023, to internal candidates. Two internal candidates applied, and Ms. Johnson was selected as the most qualified candidate for the position.

Ms. Johnson has been a Resident Services Senior Manager in Hi-Rise Management since May 2020, where she was responsible for all operations in 14 PHA hi-rises. In addition, Ms. Johnson has been assisting in the Rental Office since June 2022, and has demonstrated expertise for the

Rental Administrator position. Ms. Johnson has over 15 years of supervisory experience, a degree in social work from the University of Iowa, and multiple professional certifications including Public Housing Management, Multifamily Rent Calculation, and Multifamily Management and Occupancy Review (MOR) Specialist.

JMG/

Attachments: August 23, 2023 Board Report: Multifamily Housing Program Tenant Selection Plan and PBRA Occupancy Policy Updates

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

APPROVED

REGARDING Multifamily Housing Program
Tenant Selection Plan and
PBRA Occupancy Policy Updates

DATE August 23, 2023

Staff recommends Board approval of Resolution No. 23-8/23-02, revising the Tenant Selection Plan (TSP) and PBRA Occupancy Policies for the Multifamily Housing Program as follows, to address ongoing occupancy challenges:

1. Allowing more time for applicants to request reinstatement of their application following cancellation;
2. Allowing applicants whose applications were canceled to submit a new application sooner;
3. Increasing the point value of the existing **Veteran's or Service Person Preference** from two points to three points;
4. Adding the following applicant preferences:
 - a. **Rent-Burdened Preference**, to be applied to households paying more than 50% of their annual income in monthly rent; and
 - b. **"Hard-to-Rent" Unit Preference**, applied to applicants who agree to accept a "Hard-to-Rent" unit, as defined by the PHA.
5. Clarifying the timeline given to applicants to respond to a unit offer and view the offered unit, and issuing an additional unit offer when certain criteria are met;
6. Removing the requirement that applicants pay a portion of their security deposit at lease signing; and
7. Establishing an Emergency Declaration Authorization, allowing the Executive Director to suspend certain policies related to the processing of applications and offering of vacant units across the Multifamily portfolio when occupancy drops below 97% at any of the eight Multifamily projects.

If approved, the policy revisions would become effective immediately, except for those that add admission preferences or change current preferences. Changes to preferences in Multifamily Housing/PBRA normally require HUD approval prior to implementation. However, the proposed revisions are designed to help turn around the current occupancy slump, which is a priority for the Agency and should be encouraged by HUD. Therefore, staff is recommending that the preference changes, including the proposed authorization for an Emergency Declaration, take effect immediately upon HUD approval.

Attached is a “tracked changes” copy of the TSP showing the changes relating to occupancy, with deletions ~~interlined~~ and new text underlined. A “clean copy” of the full TSP is attached to the report on HOTMA. That copy incorporates both the HOTMA changes and the revisions related to occupancy that are described in this report.

Reinstatement and Reapplication Timelines. The PHA cancels applications (removes the household from the waiting list) in the following circumstances:

1. Applicant asks to cancel their application (voluntary cancellation);
2. Applicant fails to respond to a written request for information;
3. Applicant fails to declare their continued interest in the program (waiting list update);
4. Applicant fails to appear for scheduled appointments with PHA staff; or
5. Applicant rejects the maximum number of unit offers.

Applicants have a fixed period following cancellation during which they can request reinstatement to their previous place on the waiting list.

- Current policy: In most cases applicants must request reinstatement within 60 days from the date of cancellation. The proposed revision extends that to 6 months.

- Current policy: An applicant who has been cancelled for failing to respond to the PHA's request for information must provide the requested information within 15 days from the date of cancellation to be reinstated. The proposed revision extends that to 60 days.
- Current policy: An applicant who has been cancelled for refusing the maximum number of unit offers is not eligible to request reinstatement; their only recourse is to reapply after waiting at least 12 months, and if the waiting list is open then. The proposed revision shortens that period to 6 months.

Staff believes that these recommended changes will result in more applicants completing the screening process and being housed, thereby increasing the PHA's occupancy rate.

Admission Preference Changes. The PHA uses local admission preferences to prioritize applicants on the Multifamily RAD-PBRA waiting list. Staff are recommending adjusting and adding to the existing preferences to better target the PHA's Multifamily housing towards applicants that need it most, in order to boost occupancy. The current applicant preferences and proposed revisions are as follows¹:

- Residency Preference. Current policy: This preference is given to applicants whose head of household, spouse, or co-head lives in the City of Saint Paul, works or has been hired to work in the Saint Paul, or attends school or has been accepted to attend school in Saint Paul; 2 points. No change is recommended.
- Veteran's or Service Person Preference. This preference is given to an applicant who is a Veteran or member of the Armed Services or a dependent family member of a Veteran or a Service Person; 2 points. The proposed revision is to raise that to 3 points.
- Elderly, Disabled or Displaced Preference. This preference is given to families whose head, spouse or co-head is elderly (62+), disabled or displaced; 5 points. No change is recommended.

¹ There is also a Current Tenant Unit Transfer Preference that is given to current Multifamily residents that have been approved to transfer to another Multifamily unit outside their current project; this preference is not available to applicants.

- Special Program Preference. This preference is given to applicants approved to participate in one of the PHA’s special Programs (CHSP, ASI, or Wilder Home Care). Applicants who qualify for this preference receive 5 points. No change is recommended.

Staff believe increasing the preference points for Veterans/Service Persons will speed up their acceptance by placing them higher on the waiting list than applicants with the residency preference.

Rent-Burdened Preference. Staff are recommending creating a new preference for Multifamily applicant households that are “rent-burdened” at the time of screening. Staff is recommending defining “rent-burdened” for this purpose as a household that is paying more than 50% of their gross annual income in gross rent.^{2,3} Staff are recommending assigning a value of two points to this preference. Staff believe adding this preference will help to target the PHA’s Multifamily housing towards families that need deeply subsidized housing to afford rent, and are therefore more likely to complete the screening process and lease a Multifamily unit when it is offered.

“Hard-to-Rent Unit” Preference. Staff are also recommending creating a new preference for Multifamily applicant households that agree to accept the offer of a “hard-to-rent unit”, defined as any of the following:

- A studio (efficiency; 0-bedroom) apartment (when the applicant household is eligible for that unit size based on occupancy standards)⁴;
- An apartment in a building without on-site parking⁵;

² Gross Rent includes the rent paid to the owner plus utility costs, using St. Paul PHA’s Housing Choice Voucher Utility Allowances to estimate the utility cost.

³ In the Housing Choice Voucher program HUD defines “rent-burdened” as a household paying more than 30% of their gross annual income in gross rent.

⁴ The only PHA hi-rises with 0-bedroom units are Central (71 units), Valley (23), Wabasha (30) and Neill (2).

⁵ The only PHA hi-rises without on-site parking are Wabasha and Exchange.

- An apartment that has had three or more turn downs; or
- An apartment that has been vacant and ready to re-rent for 60 or more days.

Staff are recommending assigning a value of four points to this preference. Staff believe that adding this preference is mutually beneficial to applicants and the PHA, as it provides applicant households who need to be housed promptly with an opportunity to advance their position on the waiting list by agreeing to accept a unit that the PHA has difficulty renting.

Timeline to Respond to Unit Offers. Staff are recommending updating the unit offering policies to clarify the time applicants have to respond to a unit offer, see the unit, and accept or reject the offer after a showing. The proposed policy gives applicants two business days from the date of a unit offer to contact PHA regarding the offer, five business days to see the unit (staff may grant additional time based upon reasonable cause), and two business days after the unit showing to notify PHA of the acceptance or rejection of the unit. If the applicant does not comply with these timelines, PHA will deem the offer rejected. These times do not represent a change to current practice, but clarify and standardize how much time applicants are given to respond to offers and see available units before the offers are deemed rejected.

Security Deposits. Staff are recommending updating the security deposit policy so that no payment is required at the time of lease signing. The current policy states that an initial security deposit payment “shall be required when the keys are issued”. Staff are recommending updating this policy to say that an initial payment “may be required”. This will ensure that staff have the flexibility needed to lease up households for whom coming up with even a minimal initial payment amount (the current practice is to collect a minimum of \$20) could be a barrier to moving into the PHA’s Multifamily housing.

Emergency Declaration Authorization. To boost occupancy when needed, staff are recommending establishing a policy authorizing the Executive Director to issue an “Emergency Declaration” suspending components of the approved applicant selection and unit offering procedures when occupancy drops below 97% at any of the eight Multifamily RAD-PBRA projects. Any such Emergency Declaration would have to be issued in writing. Following an Emergency Declaration, staff could process applications and offer vacant units to eligible applicants based solely upon date and time when the application was submitted. Applicants processed and approved while an Emergency Declaration was in effect would receive up to four offers of available unit(s) of the appropriate bedroom size, compared to the standard two offers. In addition, during an Emergency Declaration staff would have the discretion to assign any appropriately-sized vacant unit to any eligible applicant, without adhering to the standard policy of offering the longest-vacant unit first.

Staff believe that over time, this combination of policy changes will result in more eligible applicants accepting vacant units they are offered more quickly, helping house more low-income individuals and families in need, and, coupled with other changes, could help reduce the vacancy rate in the PHA’s Multifamily housing to its historical low level.⁶

With the Board’s approval, staff will forward the revised Tenant Selection Plan (TSP) and PBRA Occupancy Policies for the Multifamily Housing Program to HUD and request prompt approval. Staff will also follow up with individual HUD staff to answer any questions they may have and

⁶ Prior to the COVID-19 pandemic and RAD conversion, the PHA’s overall occupancy rate regularly reached or exceeded 99%.

to urge them to allow the PHA to implement all of the changes as soon as possible. Staff will notify applicants on the PBRA waiting list of the changes that will take effect immediately.

All of the recommended policy changes are attached, with new language double-underlined and deleted text interlined.

LAF/FAH

Attachments: Resolution No. 23-8/23-02
Tenant Selection Plan and PBRA Occupancy Policies for Project-Based Rental Assistance (PBRA) Properties (Multifamily Housing)

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Elevator Modernization
Edgerton Hi-Rise (Project 3)
Contract 24-069**DATE** September 27, 2023

Staff requests Board approval to award a contract to modernize the elevators at Edgerton Hi-Rise to the lowest responsible bidder, Schumacher Elevator Company of Eagan, Minnesota in the bid amount of \$756,970. The contract includes 12 months of warranty service following completion of the modernization work. A copy of the September 14, 2023, bid tabulation is attached.

Both elevators at Edgerton Hi-Rise will be completely modernized and renovated under this contract. The modernization will include replacing most of the elevators' mechanical and electrical components and installing new cab finishes. The contract includes modifications to the building's architectural, mechanical and electrical components necessary to meet the requirements of the new elevator code. Staff solicited bids by advertising in local papers, posting the bid documents to the Northstar Planroom (northstarplanroom.com), and sending invitations to bid to several companies that have expressed an interest in contracting with the PHA. Four contractors submitted bids.

Schumacher Elevator Company has performed satisfactorily on previous PHA elevator modernization contracts, and their bid amount is less than the engineer's estimate. Copies of the Employer Information Reports for Schumacher Elevator Company and the second low bidder, Urban Elevator, are attached.

In May 2022 the Ramsey County Board of Commissioners, through their Inclusive Housing Development Solicitation, awarded a total of \$1.1 million in funding to the PHA for

improvements at Edgerton and Seal Hi-Rises. A portion of this funding will be used to fully cover the cost of this elevator modernization project.

TDB/SEA

Attachments: Tabulation of Bids
Employer Information Reports (EEO-1)



ELEVATOR MODERNIZATION AT EDGERTON HI-RISE

Contract No. 24-069

Time of Bid Opening: Thursday September 14, 2023, 2:00 p.m.

Place of Bid Opening: 200 Arch Street East, St. Paul, Minnesota

ANNOUNCEMENT: Although these bids are being publicly opened and read aloud, the PHA does not thereby waive any informalities or irregularities with respect to such bids. The PHA reserves the right to reject any or all bids or to waive any informalities in the bidding. The bids will be available at this office for public inspection.

Tabulation of Bids

1	Schumacher Elevator Company One Shumacher Way Denver, IA 50622	\$756,970.00
2	Urban Elevator Service MN 8500 Normandle Blvd., Suite 350 Bloomington, MN 55347	\$804,388.80
3	Schindler Elevator Corporation 895 Blue Gentian Road Minneapolis, MN 55121	\$892,919.00
4	Platinum Standard Elevator, LLC 2009 W Broadway Ave., Suite 400 #170 Forest Lake, MN 55025	\$897,616.00
5		
6		

Bids Opened By: Tim Braun

Bids Recorded By: Kia Vue

In Attendance: Tim Braun, Stacy Bednarek, Kia Vue, Joe Franczak, Isaac Stoe, Katie Zellmer

**EQUAL EMPLOYMENT OPPORTUNITY
Employer Information Report**

Company Name: Schumacher Elevator Company Contact Person: Nichole Valverde
 Address: One Schumacher Way Telephone #: 319-406-1216
 City: Denver Fax #: 319-406-1216
 State: IA Zip: 50622 Fed. Tax ID #: 42-0845038
 Email Address: nichole.valverde@schumacherelevator.com

Company Owner* Information:

Category:

- 1 White Non-Hispanic
- 2 Black Non-Hispanic
- 3 American Indian
- 4 Hispanic
- 5 Asian/Pacific Islander
- 7 Female
- 8 Disabled

Native Origins in:

Europe, North America, or the Mid-East
 Any Black racial group in Africa
 North America, and maintain cultural identification through tribal affiliation or community recognition, not including Eskimos or Aleuts.
 Mexico, Puerto Rico, Cuba, Central or South America, or other Spanish origin, culture, or descent, regardless of race.
 Far East, Southeast Asia, the Indian Subcontinent, Pacific Islands

* Owner is defined as: one who owns and controls at least 51% of the business, and is involved with the daily operation and management of the business.

Company Employee Information:

Report the number of all employees - permanent, part-time, apprentices

Occupation Category	White Non-Hispanic		Black Non-Hispanic		American Indian		Hispanic		Asian/Pacific American		Disabled		Totals			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	All	
Officials & Managers	20	3				1	1					2		21	4	25
Professionals	11	6										1	1	11	6	17
Technicians	12	1	1									3		13	1	14
Sales Workers	9	1										1	1	9	1	10
Office & Clerical	2	13						1				1	2	2	14	16
Craftsmen (Skilled)	147	3	2		1		2					5		152	3	155
Operatives (Unskilled)	25	1										2		25	1	26
Laborers (Unskilled)	2	1										1	1	2	1	3
Service Workers	0															
Totals	228	29	3		1	1	3	1				16	5	235	31	266

On-the-Job Trainees* (White collar)																
On-the-Job Trainees* (Production)	47	2	2		1		2							52	2	54

* Report only employees enrolled in formal on-the-job training programs. This information shall also be included in the counts for the appropriate category above.

Jeffrey P. Schumacher

Equal Employment Opportunity Officer (Print Name)

Equal Employment Opportunity Officer (Signature)

**EQUAL EMPLOYMENT OPPORTUNITY
Employer Information Report**

Company Name: Urban Elevator Service MN Contact Person: Katie Zellmer
 Address: 8500 Normandale Blvd #350 Telephone #: 952-945-3266
 City: Bloomington Fax #: _____
 State: MN Zip: 55347 Fed. Tax ID #: 86-2657750
 Email Address: kzellmer@urbanelevator.com

Company Owner* Information:

Category:

- 1 White Non-Hispanic
- 2 Black Non-Hispanic
- 3 American Indian
- 4 Hispanic
- 5 Asian/Pacific Islander
- 7 Female
- 8 Disabled

Native Origins in:

Europe, North America, or the Mid-East
 Any Black racial group in Africa
 North America, and maintain cultural identification through tribal affiliation or community recognition, not including Eskimos or Aleuts.
 Mexico, Puerto Rico, Cuba, Central or South America, or other Spanish origin, culture, or descent, regardless of race.
 Far East, Southeast Asia, the Indian Subcontinent, Pacific Islands

* Owner is defined as: one who owns and controls at least 51% of the business, and is involved with the daily operation and management of the business.

Company Employee Information:

Report the number of all employees - permanent, part-time, apprentices

Occupation Category	White Non-Hispanic		Black Non-Hispanic		American Indian		Hispanic		Asian/Pacific American		Disabled		Totals		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	All
Officials & Managers	25	2	1				5						31	2	33
Professionals	5	1						1					5	2	7
Technicians															
Sales Workers	2	2											2	2	4
Office & Clerical	4	10											4	10	14
Craftsmen (Skilled)	105		1				18		1				125	0	125
Operatives (Unskilled)															
Laborers (Unskilled)	43	0					14						57		57
Service Workers															
Totals													224	16	240

On-the-Job Trainees* (White collar)															
On-the-Job Trainees* (Production)															

* Report only employees enrolled in formal on-the-job training programs. This information shall also be included in the counts for the appropriate category above.

Myra Kania: SPHR; M.A.D.E.D
 Equal Employment Opportunity Officer (Print Name)
Myra Kania
Digitally signed by Myra Kania
 DN: cn=Myra Kania, o=01, email=mkania@urbanelevator.com, c=US
 Date: 2023.09.08 10:30:55 -0500
 Equal Employment Opportunity Officer (Signature)

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Job Reclassifications: Administrative
Support Assistant: Office Clerk and
Administrative Support Assistant: Receptionist

DATE September 27, 2023

Staff recommends that the Board approve the job reclassifications for these two positions that are in the Housing Choice Voucher and Resident Services Departments.

Current Title	Current Rating	New Title	New Rating
Administrative Support Assistant: Office Clerk	A12	Administrative Support Technician: Office Clerk	A13
Administrative Support Assistant: Receptionist	A12	Administrative Support Technician: Receptionist	A13

With the Board's approval, these two reclassification changes will be included in the Agency's contract with Local 1854 of the American Federation of State, County and Municipal Employees (AFSCME) union via a Memorandum of Understanding. The union has agreed to the proposed reclassifications of these two jobs at the A13 rating.

Background

Based on additions to the job duties and performance standards of both positions, Human Resources staff sent updated job descriptions, with the proposed new job classification title of Administrative Support Technician, to Gallagher Benefit Services for evaluation. Gallagher's review resulted in a rating at the A13 band/grade/subgrade level based on the requirements for each position, including the following new tasks and responsibilities:

- Provides general information about PHA policies and procedures and directs inquiries to appropriate sources;

- Responds in an appropriate manner to visitors or clients who are angry, or exhibiting symptoms of mental illness, and/or who are unable to communicate readily due to other disabilities;
- Greets all visitors and guests promptly and courteously in a manner that results in no legitimate complaints per year regarding the way the visitor was treated; and
- If assigned to the Central Administrative Office, maximizes program participation by collating materials and maintaining an adequate supply of Section 8 briefing packets.

Over the past year, the Agency has struggled to maintain staffing levels in these two entry-level positions at their current hourly salary range at the A12 level, \$17.36 to \$22.56. The proposed reclassification of these two positions to the A13 band/grade/subgrade would increase the hourly salary range to \$19.00 to \$24.70. Staff conducted a compensation survey and review of the job duties assigned to entry level clerical positions at the Minneapolis Public Housing Authority (MPHA), and the Dakota County Community Development Agency (CDA). The survey revealed an average hourly salary range of \$18.74 to \$27.78 for positions with similar job duties. Reclassifying these two positions will bring them in line with their peers and allow the PHA to be more competitive in securing quality applicants.

With the Board's approval, the four affected employees would remain on their current salary step, but in the higher A13 band/grade/subgrade pay range, with the result that each employee will receive a slightly higher increase in salary effective October 1, 2023. Staff estimate that the total cost of these increases would be approximately \$6,386 for the remainder of FY 2024.

There are sufficient funds in the current Operating Budget to cover this cost, and the recommended Operating Budget for the next fiscal year will also include sufficient funding for the increase.

ANH/AAG/CMS/KNG/FAH

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Audit Report for FY 2023;
Financial and Compliance Reports
For the Fiscal Year Ending March 31, 2023

DATE September 27, 2023

Staff recommends that the Board receive and file the Annual Comprehensive Financial Report of the Agency's operations in Fiscal Year 2023 that ended March 31, 2023, as completed by Baker, Tilly US, LLP. Sheanne Hediger, a partner at Baker Tilly, will explain the audit report at the Board meeting. There are no adverse findings identified in the audit.

This audit report reflects the GAAP (Generally Accepted Accounting Principles) method of reporting, as required by HUD. Following GAAP makes public housing financial statements consistent with those of other governmental entities and similar to private business and corporate financial reports. This allows HUD and other entities to use standard financial ratios to judge the fiscal soundness of a housing agency.

Staff submitted the Agency's unaudited Financial Data Schedule (FDS) on May 31, 2023 (two months after the fiscal year end). The audited version is due December 31st (nine months after the fiscal year end). The unaudited submission was accepted by HUD. PHA staff, with auditor concurrence, will submit the audited version.

The Agency's Annual Financial Statements (AFS) for the Multifamily Housing properties (the RAD-PBRA Projects) were submitted on June 1, 2023.

WW

Attachments:

- Audit Presentation
- Annual Comprehensive Financial Report
- Single Audit Report
- Audit Results



2023 Audit Review

*Prepared for the Public Housing Agency
of the City of Saint Paul*

September 27, 2023

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Overview

01 Annual comprehensive financial report

02 Reporting and insights letter

03 Report on federal awards

04 Financial trends

05 Questions



Annual comprehensive financial report

This report is intended solely for the use of management and the Board of Commissioners.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Overview

- Introductory section
- Financial section
 - Independent auditors' report – unmodified opinion
 - Management's discussion and analysis
 - Basic financial statements
- Required supplementary information
- Supplementary information
- Statistical section

This report is intended solely for the use of management and the Board of Commissioners.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Statements of net position

	2023	2022 (As Restated)
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 37,059,167	\$ 38,731,205
Cash and cash equivalents, restricted	12,495,012	10,260,045
Accounts and grants receivable	5,595,116	3,578,955
Current portion of leases receivable	323,629	254,736
Prepaid expenses and inventory	1,215,202	1,034,884
Total current assets	<u>56,688,126</u>	<u>53,859,825</u>
Noncurrent Assets		
Leases receivable	14,777,635	12,041,239
Other assets	103,131	103,131
Capital assets, net	144,067,233	148,727,839
Total noncurrent assets	<u>158,947,999</u>	<u>160,872,209</u>
Total assets	<u>215,636,125</u>	<u>214,732,034</u>
Deferred Outflows of Resources		
Other postemployment benefits	244,294	398,902
Total assets and deferred outflows of resources	<u>\$ 215,880,419</u>	<u>\$ 215,130,936</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 1,928,231	\$ 2,196,815
Due to other governmental entities	628,276	500,783
Security deposits	1,062,439	1,065,134
Accrued expenses	3,597,180	3,510,743
Unearned revenues	1,246,775	1,587,277
Total current liabilities	<u>8,462,901</u>	<u>8,860,752</u>
Noncurrent Liabilities		
Accrued compensated absences	1,654,741	1,558,050
Other postemployment benefits	2,530,139	2,664,398
Mortgage loans payable	12,070,283	9,951,255
Other noncurrent liabilities	67,951	51,642
Total noncurrent liabilities	<u>16,323,114</u>	<u>14,225,345</u>
Total liabilities	<u>24,786,015</u>	<u>23,086,097</u>
Deferred Inflows of Resources		
Unearned lease revenue	15,101,264	12,295,975
Other postemployment benefits	306,547	211,273
Total deferred inflows of resources	<u>15,407,811</u>	<u>12,507,248</u>
Net Position		
Net investment in capital assets	131,996,950	138,776,584
Restricted by HUD for public housing programs	13,586,953	11,507,939
Unrestricted	30,102,690	29,253,068
Total net position	<u>175,686,593</u>	<u>179,537,591</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 215,880,419</u>	<u>\$ 215,130,936</u>

This report is intended solely for the use of management and the Board of Commissioners.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Statements of revenue,
expenses and changes
in net position

	<u>2023</u>	<u>2022</u>
Revenues		
Tenant rental revenue, net of bad debt	\$ 19,261,263	\$ 19,144,269
HUD operating grant revenue	75,006,184	74,405,717
Other revenue	9,230,834	8,283,595
Total revenues	<u>103,498,281</u>	<u>101,833,581</u>
Operating Expenses		
Administrative	17,485,829	15,755,481
Tenant services	3,025,015	3,188,906
Housing assistance payments	53,297,368	49,855,013
Utilities	6,622,878	6,417,459
Ordinary maintenance and operations	15,802,440	13,879,272
Protective services	815,069	828,568
General expenses	3,369,958	3,398,903
Casualty losses and extraordinary maintenance, noncapitalized	171,912	73,418
Depreciation expense	9,053,102	9,302,110
Total operating expenses	<u>109,643,571</u>	<u>102,699,130</u>
Operating gain (loss)	<u>(6,145,290)</u>	<u>(865,549)</u>
Nonoperating Revenues		
Investment income	16,355	4,488
Gain on disposition of capital assets	-	12,903
Total nonoperating revenues	<u>16,355</u>	<u>17,391</u>
Gain (loss) before capital contributions	<u>(6,128,935)</u>	<u>(848,158)</u>
Capital Contributions		
HUD capital contributions	2,277,937	683,860
Change in net position	(3,850,998)	(164,298)
Net Position, Beginning	<u>179,537,591</u>	<u>179,701,889</u>
Net Position, Ending	<u>\$ 175,686,593</u>	<u>\$ 179,537,591</u>

This report is intended solely for the use of management and the Board of Commissioners.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Statements of cash flows

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash received from tenants	\$ 19,553,292	\$ 19,552,089
Cash received from HUD subsidies	73,291,868	74,265,645
Other revenues	7,724,549	7,472,451
Cash paid for operating expenses	(82,419,440)	(77,168,938)
Cash payments to employees for services	(17,351,659)	(16,097,284)
Net cash from operating activities	<u>798,610</u>	<u>8,023,963</u>
Cash Flows From Capital and Related Financing Activities		
Cash received from HUD, capital grants	2,247,924	618,620
Acquisition and construction of capital assets	(4,618,988)	(6,482,655)
Proceeds from disposition of capital assets	-	12,903
Proceeds from debt issued	2,119,028	3,696,255
Net cash from capital and related financing activities	<u>(252,036)</u>	<u>(2,154,877)</u>
Cash Flows From Investing Activities		
Purchases of investments	-	-
Sales and maturities of investments	-	7,627,093
Investment income received	16,355	5,456
Net cash from investing activities	<u>16,355</u>	<u>7,632,549</u>
Net increase in cash and cash equivalents	562,929	13,501,635
Cash and Cash Equivalents, Beginning	<u>48,991,250</u>	<u>35,489,615</u>
Cash and Cash Equivalents, Ending	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>

This report is intended solely for the use of management and the Board of Commissioners.



Notes to financial statements (cont.)

- Note 1 – Significant accounting policies
- Note 2 – Cash and investments
 - No deposits or investments exposed to custodial credit risk
- Note 3 – Tenant security deposits and FSS escrow
- Note 4 – Capital assets
 - Over \$2.5 million of capital assets placed in service in FY23
- Note 5 – Long-term liabilities
 - \$2,119,028 of additional mortgage loans payable in FY23
- Note 6 – Pension plan
- Note 7 – Postemployment healthcare plan
- Note 8 – Commitments and contingencies
- Note 9 – Lease receivables
- Note 10 – Risk management
- Note 11 – Economic Dependency



Notes to financial statements (cont.)

- Note 12 – Recent accounting pronouncements
 - GASB Statement 87 – Leases (2023)
 - GASB Statement 96 – Subscription-Based Information Technology Arrangements (2024)



Reporting and insights letter

This report is intended solely for the use of management and the Board of Commissioners.

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Agency’s internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
- Report on internal control and compliance as discussed in the report on federal awards section of this presentation.



Required audit communications (cont.)

Accounting policies

- Implementation of GASB 87 leases

Estimates

- Accrued compensated absences
- Other post-employment benefits
- Cost allocations
- Depreciation

Financial statement disclosures

- Neutral, consistent and clear

No significant unusual transactions

No difficulties in performing the audit or disagreements with management



Required audit communications (cont.)

No consultations with other accountants or those outside the audit team

No departures from the auditors' standard report

Corrected and uncorrected misstatements

- No material audit entries
- Uncorrected misstatement related to accrued salaries

Other audit findings or issues

- Discussions in normal course of business

Compliance with laws and regulations

- No non-compliance with laws and regulations noted

No fraud identified during our audit

Going concern

- No such matters or conditions have come to our attention



Required audit communications (cont.)

Independence

- We are not aware of any relationships between Baker Tilly and the Agency that, in our professional judgment, may reasonably be thought to bear on our independence

No significant findings or issues came to our attention regarding related parties

Other matters

- Required supplemental information
- Supplementary information
- Other information

Nonattest services

- Financial statement preparation
- Proposal of adjusting journal entries
- Data collection form preparation



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Report on federal awards

Report on federal awards

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

- We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses
- No instances of noncompliance required to be reported



Report on federal awards (cont.)

Report on Compliance for the Major Federal Program, Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Uniform Guidance

- Unmodified opinion on compliance
- Major program tested:
 - Section 8 Project-Based Cluster
- We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses



Report on federal awards

Schedule of expenditures of federal awards

<i>Federal Grantor/Grant Program Title</i>	<i>Federal Assistance Listing Number</i>	<i>Expenditures</i>
<i>U.S. Department of Housing and Urban Development</i>		
<i>Congregate Housing Services Program</i>	14.170	\$ 978,955
<i>Public and Indian Housing</i>	14.850a	663,815
<i>Housing Voucher Cluster</i>		
<i>Section 8 Housing Choice Vouchers</i>	14.871	53,972,102
<i>COVID-19 - Section 8 Housing Choice Vouchers -</i>		
<i>Emergency Housing Vouchers</i>	14.871	1,102,027
<i>Total ALN 14.871</i>		<u>55,074,129</u>
<i>Mainstream Vouchers</i>	14.879	2,973,870
<i>Total Housing Voucher Cluster</i>		<u>58,047,999</u>
<i>Section 8 Project-Based Cluster</i>		
<i>Section 8 Housing Assistance Payments Program</i>	14.195	20,227,376
<i>Total Section 8 Project-Based Cluster</i>		<u>20,227,376</u>
<i>Public Housing Capital Fund</i>	14.872	<u>2,277,937</u>
<i>Total federal awards</i>		<u><u>\$ 82,196,082</u></u>

This report is intended solely for the use of management and the Board of Commissioners.



Report on federal awards

Schedule of findings and questioned costs

- No financial statement findings
- No federal award findings
- No Minnesota legal compliance findings

Summary schedule of prior audit findings

- Not applicable – no findings in 2022



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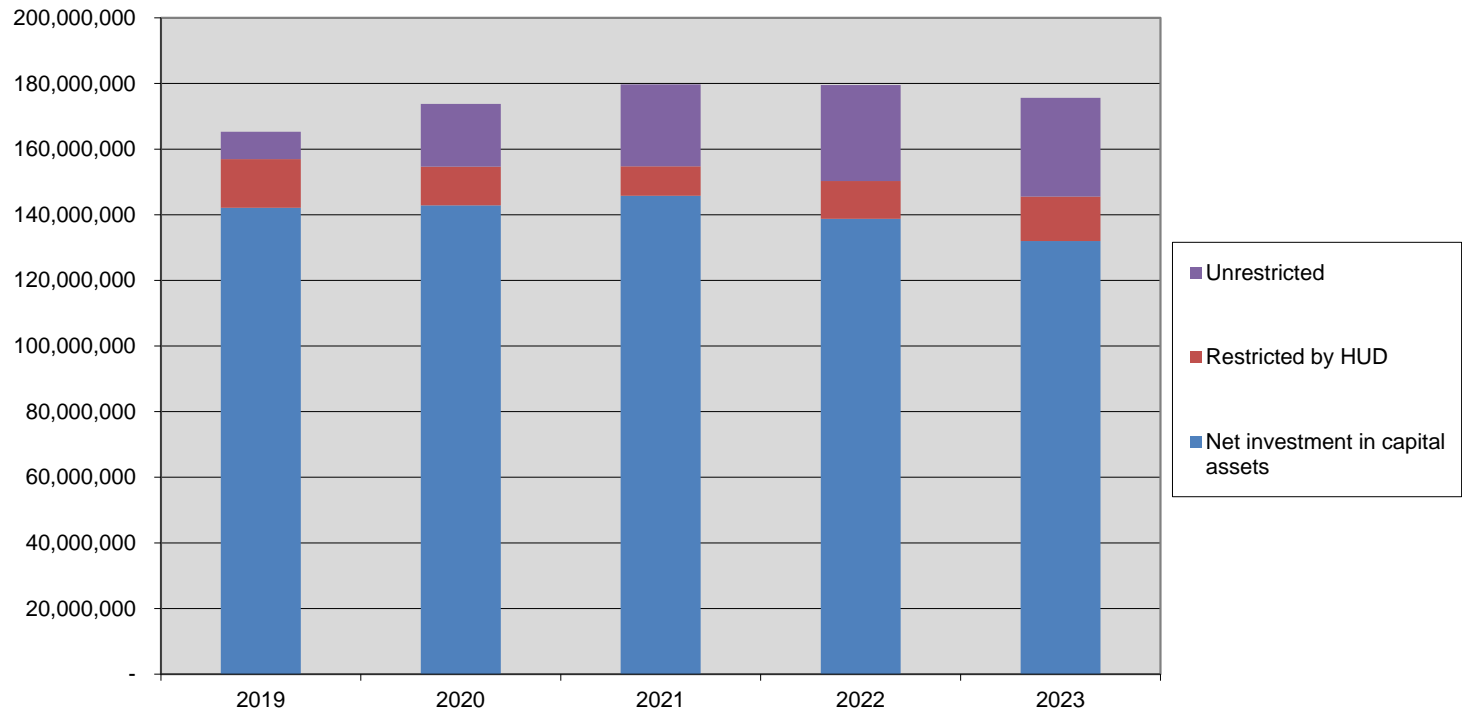


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Financial trends

FINANCIAL TRENDS

Net position trends

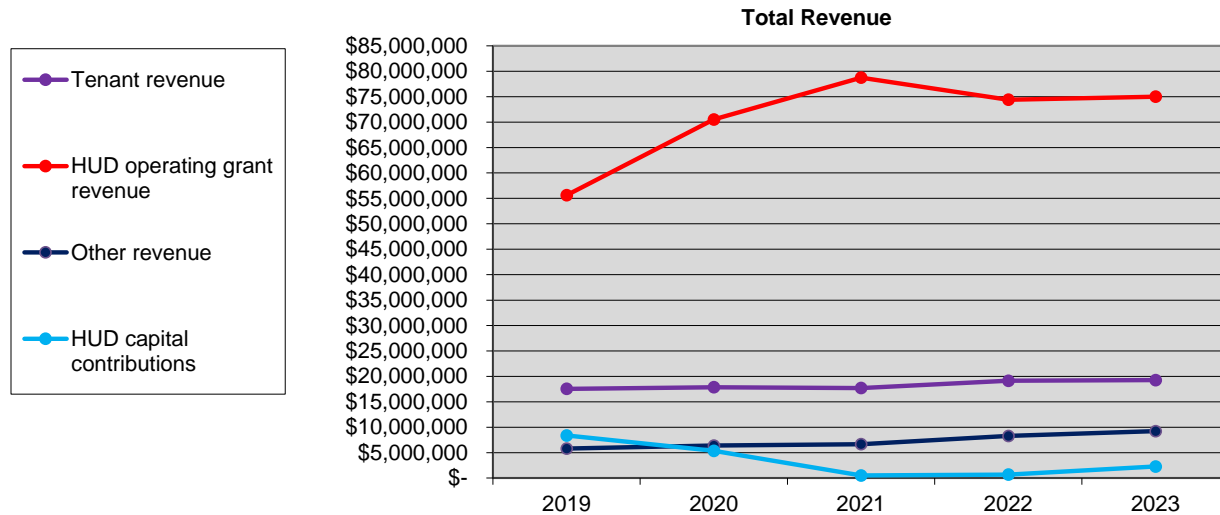


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Total revenues – all programs

	<u>2019</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2023</u>
Tenant revenue	\$ 17,543,540	20%	\$ 17,859,342	17%	\$ 17,707,918	17%	\$ 19,144,269	19%	\$ 19,261,263
HUD operating grant revenue	55,628,684	64%	70,514,001	68%	78,742,610	77%	74,405,717	73%	75,006,184
Other revenues	5,805,352	7%	6,392,602	6%	6,670,233	7%	8,283,595	8%	9,230,834
HUD capital contributions	<u>8,380,197</u>	10%	<u>5,363,814</u>	5%	<u>508,607</u>	0%	<u>683,860</u>	1%	<u>2,277,937</u>
TOTAL	\$ 87,357,773	100%	\$100,129,759	97%	\$ 103,629,368	101%	\$ 102,517,441	100%	\$ 105,776,218

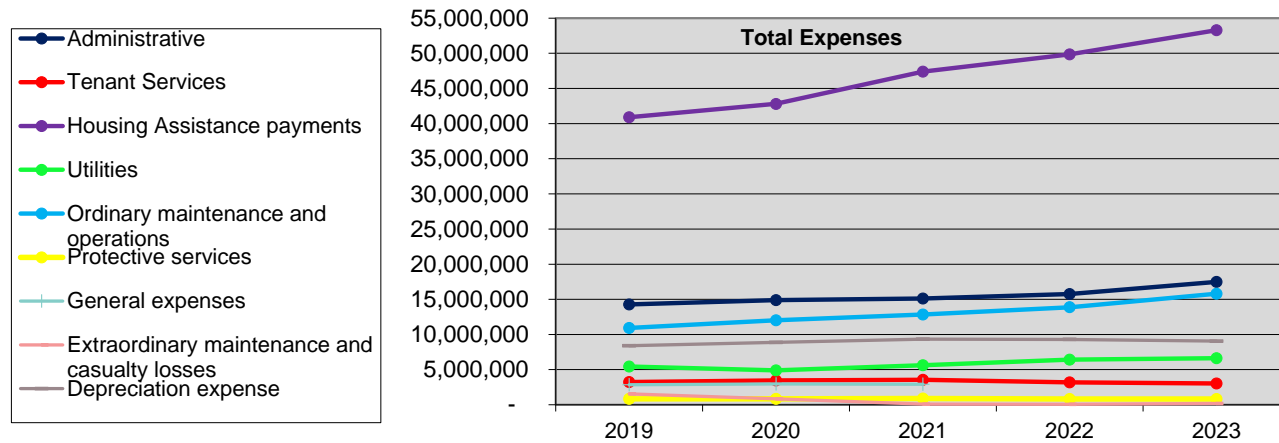


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Expenses by function – all programs

	<u>2019</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2023</u>	<u>%</u>
Administrative	14,280,757	16%	14,886,635	16%	15,119,277	15%	15,755,481	15%	17,485,829	16%
Tenant Services	3,225,356	4%	3,456,218	4%	3,553,626	4%	3,188,906	3%	3,025,015	3%
Housing Assistance payments	40,917,051	46%	42,803,337	47%	47,395,815	48%	49,855,013	49%	53,297,368	49%
Utilities	5,449,398	6%	4,899,886	5%	5,617,762	6%	6,417,459	6%	6,622,878	6%
Ordinary maintenance and operations	10,937,603	12%	12,021,330	13%	12,850,487	13%	13,879,272	14%	15,802,440	14%
Protective services	840,631	1%	843,242	1%	884,848	1%	828,568	1%	815,069	1%
General expenses	2,856,595	3%	2,959,764	3%	2,922,679	3%	3,398,903	3%	3,369,958	3%
Extraordinary maintenance and casualty losses	1,540,254	2%	854,357	1%	90,733	0%	73,418	0%	171,912	0%
Depreciation expense	8,399,202	9%	8,876,703	10%	9,324,181	10%	9,302,110	9%	9,053,102	8%
TOTAL	<u>\$ 88,446,847</u>	100%	<u>\$ 91,601,472</u>	100%	<u>\$ 97,759,408</u>	100%	<u>\$ 102,699,130</u>	100%	<u>\$ 109,643,571</u>	100%



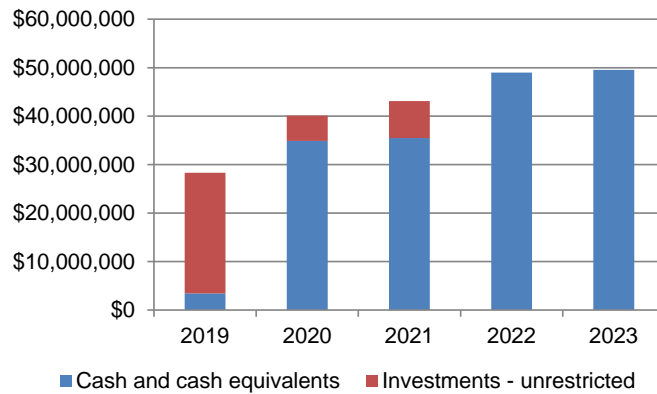
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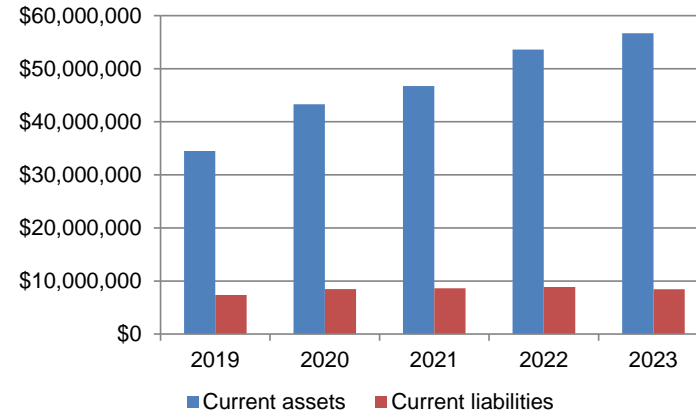
FINANCIAL TRENDS

Liquidity trends

Cash and unrestricted investments trend



Current assets and liabilities trend



- Current ratio (current assets/current liabilities)

- 2023 – 6.70
- 2022 – 6.05
- 2021 – 5.41
- 2020 – 5.10
- 2019 – 4.68



Questions?

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This report is intended solely for the use of management and the County Board.

Annual Comprehensive Financial Report

for the fiscal years ended March 2023
and 2022



Public Housing Agency of the City of Saint Paul

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March 31, 2023

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Public Housing Agency of the City of Saint Paul

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INTRODUCTORY SECTION



August 28, 2023

To the Chairperson and Members of the Board of Commissioners of the Public Housing Agency of the City of Saint Paul and the Citizens of Saint Paul:

We are pleased to present to you the Public Housing Agency of the City of Saint Paul's (the Agency's) Annual Comprehensive Financial Report for the fiscal year ended March 31, 2023. While this report is consistent with federal and state legal reporting requirements, it is also intended to supply additional information to interested readers.

This report reflects management's representations concerning the financial activity and condition of the Agency. The Agency's management is fully responsible for the content and reliability of this report. Management recognizes that it must rely on its established daily internal control procedures to protect the Agency's assets from loss, theft, or misuse. The Agency must also operate an information system that maintains adequate and appropriate financial data, such that the Agency's financial statements may be prepared in accordance with accounting principles generally accepted in the United States of America. Because cost versus the value to be achieved must be weighed in evaluating any procedure or system, the Agency's procedures and systems are designed to provide reasonable, not absolute, assurance that the financial statements will be free from material misstatements. We, as the Agency's management, state that to the best of our knowledge, this financial report is complete and reliable in all material respects.

Baker Tilly US, LLP has issued an unmodified opinion on the Agency's financial statements for the year ended March 31, 2023. Their independent auditor's report is located at the front end of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative summary of the year's financial activities, including comparisons and changes regarding the previous year. The MD&A immediately follows the auditor's opinion letter contained in this document. The MD&A is designed to be read in conjunction with this letter and the financial statements.

Profile of the Agency

The Agency has been an independent governmental unit since 1977. Its historical roots are in the Housing and Redevelopment Authority of the City of Saint Paul (HRA), a unit of the City of Saint Paul established by the Minnesota Legislature in 1947. The HRA's initial goal was to provide affordable housing opportunities that were safe and sanitary for those in need.

The Housing Act of 1949 established a national policy and goal of "a decent home and suitable living environment for every American family". Under that goal, and with federal funding, the HRA began the construction of the first public housing in Saint Paul. Over the next 27 years, the HRA constructed four large family housing developments and constructed or purchased 16 hi-rise buildings for elderly and disabled people.

Unlike many public housing programs, Saint Paul has never relied on high rise apartment buildings for family housing. During the 1950s and 1960s, family public housing in Saint Paul took the form of townhouse-style developments. All but a few units have direct, ground-level access, yards, and nearby outdoor gathering space. After the completion of the last townhouse development in 1966, the Agency bought or built over 400 scattered site units. These family housing units are located in neighborhoods all over the City of Saint Paul. The Agency currently owns and manages 4,273 housing units. Nineteen of these units are used for law enforcement officers (Officers in Residence, or OIR) and services for those with special needs (Accessible Space, Inc., or ASI, and Assisted Living Program, or ALP).





In the early 1970s, the HRA began administering a federal rent subsidy program for eligible low-income households living in privately owned housing. The program evolved into the then-existing Section 8 Housing Assistance program. The program later became the Housing Choice Voucher program. In Saint Paul, that program, along with other related Section 8 programs, serves approximately 5,200 families.

The Agency was separated from the City of Saint Paul and was created by the Minnesota Legislature in 1977 to assume administration of subsidized housing programs and ownership of the public housing properties in Saint Paul. The Agency is funded by federal housing subsidies, rents paid by residents, special-purpose grants, and investment revenues. In recent years, the Agency has received loans from the State of Minnesota's Housing Finance Agency to assist with preservation of public housing and to construct twenty-two new townhome units that now receive federal subsidies. Additionally, the Agency will receive American Rescue Plan grant funding and Housing and Redevelopment Authority levy funding from Ramsey County's Economic Competitiveness & Inclusion Plan to build eleven new townhome units that will receive federal subsidies. The Agency receives no financial support from city or county taxes, and makes a payment-in-lieu of taxes (PILOT) to defray the cost of city and county services.

A Board of Commissioners governs the Agency. The seven commissioners are appointed by the Mayor and approved by the City Council. Two commissioners represent housing residents. The Board hires an Executive Director who is in charge of day-to-day operations.

Financial Environment

Although the three major levels of government – federal, state, and local – each impact Agency operations in their own way, only the federal government provides operational funding. In the past ten fiscal years, the Agency has received six forgivable loans and three long-term no-interest loans from the State of Minnesota, and eight forgivable loans from the Federal Home Loan Bank (FHLB), to help preserve public housing. These loans have been, and will be, used to assist with modernization work in a large family development, build three six-unit buildings and one four-unit building, and assist with modernization in eight hi-rises. The loans are no-interest or forgivable if the Agency operates the housing as low-income subsidized housing. The Agency will continue to apply for these type of loans to assist with long-term capital modernization of our properties. The Agency has no taxing authority.

Federal Funding and Regulations

As approximately 72 percent of the Agency's revenues come from the federal government (from the Department of Housing and Urban Development, or HUD), the Agency's funding is subject to annual congressional changes in funding and regulations. The Housing Choice Voucher program saw an increase of 79 vouchers during Fiscal Year 2023, with a commensurate increase in funding. The Low Income Public Housing (LIPH or LRPB) program has fluctuated up and down over the past several years as a result of changes in congressional appropriations. In 2020, the Agency converted 3,836 LIPH units to Project-Based Rental Assistance (PBRA) units through HUD's Rental Assistance Demonstration program to take advantage of what is projected to be a more stable revenue stream.

State Regulations

State regulations impact the Agency from the amount of rent collected from our residents who receive welfare assistance, to the limit on the amount of salary paid to the Agency's executive director. The Agency seldom pays sales tax (there are a few limited occasions).





Local Regulations

The Agency is impacted by the PILOT (payment-in-lieu of taxes) agreement with the City of Saint Paul, which ensures that our residents and employees continue to receive local government services in an equitable share. The Agency is also impacted by building code regulations, which impact every property that the Agency owns.

The metro area housing rental market is of concern to the Agency as it strives to fulfill its mission to help families and individuals with low incomes achieve greater stability and self-reliance by providing safe, affordable, quality housing and links to community services. In 2021, the voters in the City of Saint Paul approved a Residential Rent Stabilization Ordinance (the rent control ordinance). Effective January 1, 2023, residential rent increases were limited to 3 percent in any 12-month period. Agency-owned properties will not be impacted by the rent control ordinance. The City Council adopted amendments creating exceptions to the ordinance, which went into effect on January 1, 2023. The affordable housing exception applies to housing "restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined by state or federal law, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in state and federal law". However, it remains uncertain what the impact on landlords participating in the Section 8 Housing Choice Voucher program will be. The Agency will continue to monitor the impact of the rent control ordinance on the metro area rental market, along with any other changes to local regulations.

Long-Term Financial Planning

The Agency publishes an Annual Agency Plan which is updated annually. The plan for 2023 is briefly summarized as follows:

The Agency Plan describes the programs, policies, and practices that the Agency is carrying out in its current fiscal year, which began April 1, 2022. In general, the Agency is continuing the same course of action described in the HUD-approved plan for the previous fiscal year. This plan has proven successful over several years in meeting the needs of residents and the community, within the limits of available resources. The Agency focuses on its mission and Agency goals, stressing sound property management, modernization and maintenance, and sound Section 8 administration. The Agency is also continuing its successful jobs program, working with community partners. The Agency's Five-Year and Annual Capital Fund Plans include major plumbing system improvements, replacing all plumbing supply and waste lines at the PHA's 16 hi-rise apartment buildings. This work has been completed at Ravoux, Valley, and Montreal. Work is still in progress at Front Hi-Rise. At the same time, the Agency has carried out major elevator modernization work and commenced elevator modernization work at Valley Hi-Rise in FY 2023. The Agency will continue to consider opportunities for entrepreneurial activities as allowed under federal and state statutes.

In October 2019, the Agency finalized the conversion of 3,836 units of Low Income Public Housing to Project-Based Rental Assistance through HUD's Rental Assistance Demonstration program. The conversion encompassed 16 hi-rises and four family developments. The primary purpose of the conversion was to secure more predictable funding compared to HUD's current public housing funding through the Operating Fund and Capital Fund programs. The PHA entered into a twenty-year contract with HUD to provide rental subsidies in the form of Housing Assistance Payments for each unit. Current program regulations guarantee that this contract will be renewed upon expiration in 2039. The Agency maintains full ownership of the buildings and the PHA's Board of Commissioners and staff intend to provide the same high level of maintenance and management services as provided before the conversion.





The Agency continues to own, maintain, and manage 418 single-family homes and duplexes located throughout the City of Saint Paul under the Low Income Housing program.

Relevant Financial Policies

The Agency adopts annual fiscal year budgets for the Rental Assistance Demonstration Project-Based Rental Assistance Program, Low Income Public Housing program, Housing Choice Voucher program, and the Agency's W. Andrew Boss (Central Administrative Office) building operations. Other grant program activities are budgeted based on the specific grant periods. Budgets are prepared by staff and reviewed, approved, and presented by the Executive Director to the Board of Commissioners for approval.

During the past year, the Agency achieved the Public Housing Assessment System for Low Income Public Housing (PHAS) "Standard Performer" status and achieved the Section Eight Management Assessment Program (SEMAP) "High Performer" status recognition from the United States Department of Housing and Urban Development.

The Government Finance Officers Association of the United States and Canada (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Housing Agency of the City of Saint Paul for its annual comprehensive financial report for the fiscal year ended March 31, 2020. Due to staff turnover in the Finance Department, the annual comprehensive financial report for the fiscal years ending March 31, 2021, and March 31, 2022, were not submitted for award consideration. Previously, the Agency had received the award for fifteen consecutive years. In order to be awarded a Certificate of Achievement, the Agency must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Conclusion

We would like to thank and commend the staff of the Finance Department for their dedicated efforts in preparing this report. Our appreciation extends to all Agency employees who have a part in upholding the very high standards that are reflected in this document. Finally, our thanks to the Board of Commissioners for their interest, concern, and commitment to establishing policies and procedures that allow and encourage a successful public housing operation.

Respectfully submitted,



Jon M. Gutzmann
Executive Director

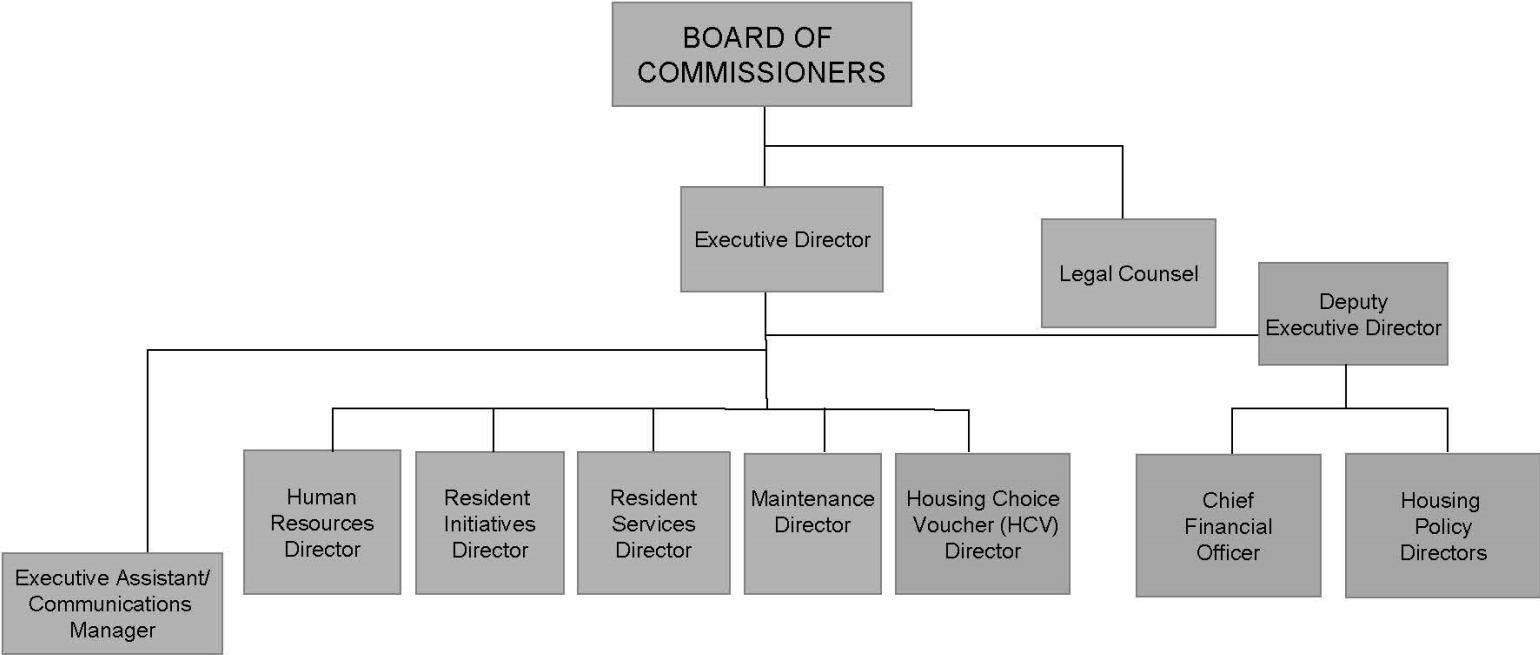


William A. Wallo
Chief Financial Officer



PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

ORGANIZATIONAL CHART
Board Approved February 22, 2023



FINANCIAL SECTION

Independent Auditors' Report

To the Board of Commissioners of
Public Housing Agency of the City of Saint Paul

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Public Housing Agency of the City of Saint Paul (Agency), as of and for the years ended March 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of March 31, 2023 and 2022, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 opinion.

Emphasis of Matter

As discussed in Note 1, the Agency adopted the provisions of GASB Statement No. 87, *Leases*, effective April 1, 2022. Accordingly, the accounting changes have been retrospectively applied to prior periods presented. Our opinion is not modified with respect to this matter.

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 Agency'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.

Auditors' 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 auditors' report that includes our opinion. 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 GAS 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 GAS, 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 Agency'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 Agency'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 required supplementary information, as listed in the table of contents 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 an opinion on the financial statements as a whole. The financial data schedules and schedule of expenditures of federal awards as listed in the table of contents 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, financial data schedules and schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2023 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Eau Claire, Wisconsin
September 1, 2023

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

The management of the Public Housing Agency of the City of Saint Paul (the Agency or PHA) presents this narrative overview and analysis to the readers of the financial report of the Agency for the fiscal years ended March 31, 2023 and 2022. This document should be read in conjunction with the letter of transmittal in the introductory section of this report along with the Agency's audited financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Public Housing Agency of the City of Saint Paul. The Agency's basic financial statements consist of two parts: (1) statements of net position; statements of revenues, expenses and changes in net position; and statements of cash flows and (2) notes to financial statements. The report also contains other required supplementary information, as required by GASB and other supplemental financial data schedules (FDS), as required by HUD, and certain statistical information the Agency has chosen to include within this report.

The basic financial statements provide both long-term and short-term information about the Agency's overall financial condition. The basic financial statements provide both long-term and short-term information about the Agency's overall financial condition. The basic financial statements also include notes that provide additional information and more detailed data.

Basic Financial Statements

These statements are designed to give the reader a broad overview of the Agency's finances. The Agency is supported primarily by intergovernmental revenues (HUD) and rental income. All of the Agency's activities are reported as one enterprise fund.

- The statement of net position presents information on all the Agency's assets and liabilities, with the difference between the two reported as total net position. Over time, changes in total net position may reflect changes in the financial position of the Agency.
- The statement of revenues, expenses and changes in net position presents information showing how the Agency's net position changed during the year. All changes in total net position are reported when the relevant event occurs, regardless of the timing of the cash flow. This means that revenues and expenses are reported in this statement for which the cash flow will occur in future periods. For example, unused paid leave time is reported as an expense of this period but will not actually be paid until some future fiscal period.
- The statement of cash flows reports cash receipts, cash payments and net changes in cash resulting from operating, investing and financing activities. It also provides insight into where cash came from, how it was used and what the change in cash balance was during the reporting period.

Financial Highlights and Agency Outlook

Statement of net position

The total assets of the Agency exceeded its liabilities at the close of fiscal years 2023 and 2022 by \$175,686,593 and \$179,537,591, respectively. Net position consists of the following:

- The value of capital assets, reflecting the Agency's investments in land, structures, and equipment less related capital-related debt outstanding, is \$131,996,950 and \$138,776,584 for 2023 and 2022, respectively. This amount is not available for expenditures.
- Restricted net position of \$13,586,953 and \$11,507,939 for 2023 and 2022, respectively, are restricted by HUD. Such funds may only be used for specific purposes.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

- Unrestricted net position of \$30,102,690 and \$29,253,068 for 2023 and 2022, respectively, are available for use in meeting ongoing Agency obligations.
- The Agency's total net position decreased by \$3,850,998 and decreased by \$164,298 in 2023 and 2022 respectively.
- The Agency's current ratio that measures liquidity increased from 6.08 in 2022 to 6.70 in 2023. Current assets increased by \$2,759,409 to \$56,364,498, primarily due to an increase in receivables from the Department of Housing and Urban Development (HUD) in the amount of \$1,887,939, while current liabilities decreased by \$443,072 to \$8,417,680.
- The Agency's practice has been to maintain approximately six (6) months of operating expenses in unrestricted reserves. As of March 31, 2023, the Agency had 7.7 months of operating expenses in unrestricted reserves, providing a cushion against unexpected events.
- The Agency's total debt increased from \$9,951,255 to \$12,070,283 during the current reporting period as a result of forgivable loans incurred from the Federal Home Loan Bank of Des Moines (FHLBDM) and the Minnesota Housing Finance Agency (MHFA) for elevator modernization, plumbing modernization, and electrical repairs at several of the Agency's hi-rise sites.
- Deferred inflows of resources increased to \$15,407,811 due to reclassifications of unearned revenue from financing leases as the Agency adopted Governmental Accounting Standards (GASB) Statement No. 87 during the fiscal year. Deferred inflows of resources for the fiscal year ending March 31, 2022 were restated from \$211,273 to \$12,507,248 for comparative purposes.

Statement of net position

- Tenant rental revenue, net of bad debt, increased by \$116,994 to \$19,261,263 in 2023. Rental revenue was significantly impacted by bad debt write-offs, which totaled \$460,660 in 2023, up from \$158,679 in 2022. The State of Minnesota had an eviction moratorium preventing eviction for nonpayment of rent in place from March 23, 2020, until June 1, 2022. This created a backlog of tenants who built up substantial rent balances owed to the Agency who were not evicted due to nonpayment of rent. Effective June 1, 2022, the Agency began eviction actions for nonpayment of rent, leading to a substantial increase in the number of write-offs during the fiscal year. The Agency anticipates elevated bad debt write-offs throughout the subsequent fiscal year as it continues to work through the backlog of pandemic-induced balances owed.
- Administrative costs increased from \$15,755,481 in 2022 to \$17,485,829 in 2023. The increase was primarily due to increased salaries and benefits costs, which reflected contractually obligated salary increases for employees in multiple employee bargaining groups. Both of the negotiated agreements with employee bargaining units (Local 363 and AFSCME) will be in effect through the end of the upcoming fiscal year and expire during the year ending March 31, 2025.
- Housing assistance payments increased from \$49,855,013 in 2022 to \$53,297,368 in 2023. This increase was due to several factors, including an increase in the number of vouchers that the Agency administers, along with an increase in Housing Choice Voucher payment standards that took effect on November 1, 2022, for new move-ins on or after that date, and January 1, 2023 for all other HCV participants and applicants. The Agency increased payment standards to between 102% and 107% of the new federal fiscal year (FFY) 2023 fair market rents published by HUD in 2022. The Agency also increase the utility allowances for natural gas, electricity, District Energy heating and cooling, trash hauling, and water and sewer charges. The increases to payment standards and utility allowances for Housing Choice Voucher Program participants are anticipated to continue to lead to increased housing assistance payment expenditures in future years.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Agency's financial statements.

Required Supplementary Information

These schedules contain the changes in the Agency's total OPEB liability and related ratios.

Financial Data Schedules

These schedules contain detail by program, presented in the HUD-required format.

Statistical Information

These schedules contain statistical data for certain Agency programs and activities.

Other Information

The Agency adopts annual budgets for Low Income Public Housing, Section 8 and the Central Administrative Office Building Fund operations. The Capital Grant Program and other special grants are budgeted on a project-length basis.

Condensed Statements of Net Position

	March 31		
	2023	2022	2021
Current and other noncurrent assets	\$ 71,568,892	\$ 53,708,220	\$ 46,837,299
Capital assets	144,067,233	148,727,839	152,078,007
Total assets	215,636,125	202,436,059	198,915,306
Deferred outflows of resources	244,294	398,902	132,054
Total assets and deferred outflows	\$ 215,880,419	\$ 202,834,961	\$ 199,047,360
Current liabilities	\$ 8,462,901	\$ 8,860,752	\$ 8,640,100
Long-term liabilities	16,323,114	14,225,345	10,705,371
Total liabilities	\$ 24,786,015	\$ 23,086,097	\$ 19,345,471
Deferred outflows of resources	\$ 15,407,811	\$ 211,273	\$ -
Net position:			
Net investment in capital assets	\$ 131,996,950	\$ 138,776,584	\$ 145,823,007
Restricted by HUD	13,586,953	11,507,939	8,964,892
Unrestricted	30,102,690	29,253,068	24,913,990
Total net position	\$ 175,686,593	\$ 179,537,591	\$ 179,701,889

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)
Year Ended March 31, 2023

2023: Analysis of Changes in Condensed Statement of Net Position

The largest portion of the Agency's net position, approximately 75% and 77% for 2023 and 2022, respectively, is composed of net investment in capital assets. Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total net position, approximately 8% and 6% for 2023 and 2022, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$13,586,953 and \$11,507,939 for 2023 and 2022, respectively. Unrestricted net position totals \$30,102,690 and \$29,253,068 for 2023 and 2022, respectively.

2022: Analysis of Changes in Condensed Statement of Net Position

The largest portion of the Agency's net position, approximately 77% and 81% for 2022 and 2021, respectively, is composed of net investment in capital assets. Since the Agency uses those assets in its primary mission to provide safe, secure and sanitary housing to low-income families, those assets are not available for future spending.

A portion of the Agency's total net position, approximately 6% and 5% for 2022 and 2021, respectively, represents resources that are subject to external restrictions on how they may be used. Restricted net position is \$11,507,939 and \$8,964,892 for 2022 and 2021, respectively. Unrestricted net position totals \$29,253,068 and \$24,913,990 for 2022 and 2021, respectively.

Financial Operational Analysis

The Agency uses fund accounting to reflect compliance with government requirements. Although HUD issues rules specific to public housing agencies, the Agency is subject to certain other federal, state, and local financial reporting requirements.

The Agency is primarily supported by intergovernmental revenues (HUD) and rental income. The Agency has chosen to use a single enterprise fund, composed of several activities, which records the financial activity of the Agency. Enterprise funds, in general, focus on the determination of operating income, changes in total net position, financial position and cash flows.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

Condensed Statements of Revenues, Expenses and Changes in Net Position

	March 31		
	2023	2022	2021
Operating revenue:			
Tenant revenue, net of bad debt	\$ 19,261,263	\$ 19,144,269	\$ 17,707,918
HUD grants / subsidy	75,006,184	74,405,717	78,742,610
Other revenue	9,230,834	8,283,595	6,613,459
Total operating revenue	103,498,281	101,833,581	103,063,987
Operating expenses:			
Administrative	17,485,829	15,755,481	15,119,277
Tenant services	3,025,015	3,188,906	3,553,626
Housing assistance payments	53,297,368	49,855,013	47,395,815
Utilities	6,622,878	6,417,459	5,617,762
Ordinary maintenance	15,802,440	13,879,272	12,850,487
General expenses and other	4,356,939	4,268,358	3,898,260
Extraordinary maintenance	-	32,531	-
Depreciation expense	9,053,102	9,302,110	9,324,181
Total operating expenses	109,643,571	102,699,130	97,759,408
Operating gain (loss)	(6,145,290)	(865,549)	5,304,579
Nonoperating revenues and capital contributions:			
Investment income	16,335	4,488	4,305
Gain on disposition of capital assets	-	12,903	52,469
Capital contributions	2,277,937	683,860	508,607
Total nonoperating revenues and capital contributions	2,294,292	701,251	565,381
Change in net position	(3,850,998)	(164,298)	5,869,960
Net Position, Beginning	179,537,591	179,701,889	173,831,929
Net Position, Ending	\$ 175,686,593	\$ 179,537,591	\$ 179,701,889

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

2023: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Income Public Housing program rental income increased by approximately 7%, for a total increase of \$181,557 in 2023, and increased by approximately 17%, for a total increase of \$390,268 in 2022. This resulted in total rental income of \$2,915,279 and \$2,733,722 in 2023 and 2022, respectively.

The Low Income Public Housing program operating expenses increased, going from \$4,443,566 in 2022 to \$5,176,625 in 2023. There were \$4,398 nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) in 2023, compared to \$40,887 for 2022. Depreciation expense for 2023 is \$668,482 as compared to \$729,803 for 2022.

The Project Based Rental Assistance Program began in 2020 as a result of conversion of 3,836 Low Income Public Housing units. Tenant revenue increased, going from \$16,569,226 in 2022 to \$16,806,644 in 2023. The operating expenses increased going from \$32,297,650 in 2022 to \$34,112,343 in 2023. Depreciation expense for 2023 is \$7,927,756 as compared to \$8,063,714 for 2022.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,537 out of 5,033, or a 90.1% average lease-up rate that equated to 496 vouchers under issued on a monthly basis. The program had an increase of 279 vouchers during 2023. This compares to 2022 when the average monthly lease-up rate was 95.5% based on 4,731 average monthly lease-ups for 4,952 approved vouchers.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 519 port-in vouchers at March 31, 2023, a 44.6% increase from 359 in 2022. In those cases, the Agency billed the home entity the full amount of the housing assistance payments (HAP) for a particular participant as well as 80% of the home entity's associated administrative fee. This generated \$5,061,923 and \$3,788,547 in revenue, of which \$4,765,932 and \$3,568,924 was paid to landlords in the form of HAP for 2023 and 2022, respectively. For comparison purposes, the Agency supported 695 and 614 voucher port-outs at fiscal year-end for 2023 and 2022, respectively, with the HAP and 80% of its administrative fee paid to the receiving housing agency.

The Section 8 HCV program average HAP costs per voucher, \$836.70, increased by 3.5% in 2023, as compared to \$808.23 in 2022. Operating costs PUM, \$89.61, increased by 2.7% in 2023, as compared to \$87.22 in 2022.

The Emergency Housing Voucher program received supplemental funding through the American Rescue Plan Act (ARPA) in 2023. The Agency received \$982,917, in HAP funding and \$304,319 in administrative fee funding. These funds were reported separately with associated HAP and administrative expenses, also reported separately.

The Capital Fund program receives HUD grant money on a reimbursement basis, while the grant accounts for construction in progress on the Agency's public housing properties. Funding is awarded in a series of overlapping four-year grants. For the three grants managed by the Agency during fiscal year 2023, federal fiscal year 2022 was in the amount of \$1,820,392, federal fiscal year 2021 was in the amount of \$1,489,634, and federal fiscal year 2020 was in the amount of \$12,601,482. The Agency's fiscal years 2023 and 2022 ended with \$2,415,753 and \$566,072, respectively, in construction in progress.

The Agency's central administrative office building is primarily occupied by the Agency itself (69%). Leases are in place for 25% of the space, with 6% vacant.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

2022: Analysis of Changes in the Condensed Statement of Revenues, Expenses and Changes in Net Position

The Low Income Public Housing program rental income increased by approximately 17%, for a total increase of \$390,268 in 2022, and decreased by approximately 84%, for a total decrease of \$11,900,980 in 2021. This resulted in total rental income of \$2,733,722 and \$2,343,454 in 2022 and 2021, respectively.

The Low Income Public Housing program operating expenses increased, going from \$3,397,605 in 2021 to \$4,443,566 in 2022. There were \$40,887 nonroutine expenditures (extraordinary maintenance and noncapitalized casualty losses) in 2022, compared to \$7,451 for 2021. Depreciation expense for 2022 is \$729,803 as compared to \$766,268 for 2021.

The Project Based Rental Assistance Program began in 2020 as a result of conversion of 3,836 Low Income Public Housing units. Tenant revenue increased, going from \$15,437,825 in 2021 to \$16,569,226 in 2022. The operating expenses increased going from \$28,249,383 in 2021 to \$32,297,650 in 2022. Depreciation expense for 2022 is \$8,063,714 as compared to \$8,045,528 for 2021.

The Section 8 Housing Choice Voucher program ended the year with average monthly lease-ups of 4,731 out of 4,952, or a 95.5% average lease-up rate that equated to 221 vouchers under issued on a monthly basis. The program had an increase of 234 vouchers during 2022. This compares to 2021 when the average monthly lease-up rate was 97.9% based on 4,527 average monthly lease-ups for 4,625 approved vouchers.

The Agency saw an increase of incoming vouchers from other housing agencies. There were 359 port-in vouchers at March 31, 2022, a 19.7% increase from 300 in 2021. In those cases, the Agency billed the home entity the full amount of the housing assistance payments (HAP) for a particular participant as well as 80% of the home entity's associated administrative fee. This generated \$3,788,547 and \$3,142,867 in revenue, of which \$3,568,924 and \$2,955,247 was paid to landlords in the form of HAP for 2022 and 2021, respectively. For comparison purposes, the Agency supported 600 and 614 voucher port-outs at fiscal year-end for 2022 and 2021, respectively, with the HAP and 80% of its administrative fee paid to the receiving housing agency. In 2022, total HAP to landlords was \$43,316,542 or 84% of all revenue. In 2021, total HAP to landlords was \$40,266,316 or 85% of all revenue.

The Section 8 HCV program average HAP costs per voucher, \$808.23, increased by 8.9% in 2022, as compared to \$742.09 in 2021. Operating costs PUM, \$87.22, increased by 64.1% in 2022, as compared to \$53.14 in 2021.

The Emergency Housing Voucher program received supplemental funding through the American Rescue Plan Act (ARPA) in 2022. The Agency received \$650,460, in HAP funding and \$414,230 in administrative fee funding. These funds were reported separately with associated HAP and administrative expenses, also reported separately.

The Capital Fund program receives HUD grant money on a reimbursement basis, while the grant accounts for construction in progress on the Agency's public housing properties. Funding is awarded in a series of overlapping four-year grants. For the four grants managed by the Agency during fiscal year 2022, federal fiscal year 2021 was in the amount of \$1,489,634, federal fiscal year 2020 was in the amount of \$12,601,482, federal fiscal year 2019 was in the amount of \$11,692,490, and federal fiscal year 2018 was in the amount of \$11,177,209. The Agency's fiscal years 2022 and 2021 ended with \$566,072 and \$1,004,274, respectively, in construction in progress.

The Agency's central administrative office building is primarily occupied by the Agency itself (69%). Leases are in place for 25% of the space, with 5% vacant. The lease with the Agency's anchor commercial tenant expires August 31, 2022.

Public Housing Agency of the City of Saint Paul

Management's Discussion and Analysis (Unaudited)

Year Ended March 31, 2023

2023 Capital Assets

The Agency had \$144,067,233 and \$148,727,839 for 2023 and 2022, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (page 24 of this report) to the financial statements. This is a net decrease of \$4,660,606.

2022 Capital Assets

The Agency had \$148,727,839 and \$152,078,007 for 2022 and 2021, respectively, invested in property and equipment, net of depreciation, as displayed in Note 4 (page 25 of this report) to the financial statements. This is a net decrease of \$3,350,168.

2023 Long-term Debt

The Agency had \$12,070,283 and \$9,951,255 of mortgage loans payable for 2023 and 2022, respectively. In 2023 the Agency added 3 new loans, for a total of 8 mortgage loan from Minnesota Housing Finance Agency (MHFA) and 8 Federal Home Loan Bank (FHLB) totaling \$2,119,028 of new loans as displayed in Note 5 (pages 25 through 29 of this report) to the financial statements.

2022 Long-term Debt

The Agency had \$9,951,255 and \$6,255,000 of mortgage loans payable for 2022 and 2021, respectively. In 2022 the Agency added 5 new loans, for a total of 6 mortgage loan from Minnesota Housing Finance Agency (MHFA) and 7 Federal Home Loan Bank (FHLB) totaling \$3,696,255 of new loans as displayed in Note 5 (pages 26 through 29 of this report) to the financial statements.

Requests for Information

This document is designed to provide an overview of the Agency's finances. Questions concerning any of the information provided in this document or requests for additional information should be addressed to the Chief Financial Officer, Public Housing Agency of the City of Saint Paul, 555 Wabasha St. N., Suite 400, St. Paul, MN 55102.

Public Housing Agency of the City of Saint Paul

Statements of Net Position
March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (As Restated)
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 37,059,167	\$ 38,731,205
Cash and cash equivalents, restricted	12,495,012	10,260,045
Accounts and grants receivable	5,595,116	3,578,955
Current portion of leases receivable	323,629	254,736
Prepaid expenses and inventory	1,215,202	1,034,884
Total current assets	<u>56,688,126</u>	<u>53,859,825</u>
Noncurrent Assets		
Leases receivable	14,777,635	12,041,239
Other assets	103,131	103,131
Capital assets, net	144,067,233	148,727,839
Total noncurrent assets	<u>158,947,999</u>	<u>160,872,209</u>
Total assets	<u>215,636,125</u>	<u>214,732,034</u>
Deferred Outflows of Resources		
Other postemployment benefits	244,294	398,902
Total assets and deferred outflows of resources	<u>\$ 215,880,419</u>	<u>\$ 215,130,936</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 1,928,231	\$ 2,196,815
Due to other governmental entities	628,276	500,783
Security deposits	1,062,439	1,065,134
Accrued expenses	3,597,180	3,510,743
Unearned revenues	1,246,775	1,587,277
Total current liabilities	<u>8,462,901</u>	<u>8,860,752</u>
Noncurrent Liabilities		
Accrued compensated absences	1,654,741	1,558,050
Other postemployment benefits	2,530,139	2,664,398
Mortgage loans payable	12,070,283	9,951,255
Other noncurrent liabilities	67,951	51,642
Total noncurrent liabilities	<u>16,323,114</u>	<u>14,225,345</u>
Total liabilities	<u>24,786,015</u>	<u>23,086,097</u>
Deferred Inflows of Resources		
Unearned lease revenue	15,101,264	12,295,975
Other postemployment benefits	306,547	211,273
Total deferred inflows of resources	<u>15,407,811</u>	<u>12,507,248</u>
Net Position		
Net investment in capital assets	131,996,950	138,776,584
Restricted by HUD for public housing programs	13,586,953	11,507,939
Unrestricted	30,102,690	29,253,068
Total net position	<u>175,686,593</u>	<u>179,537,591</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 215,880,419</u>	<u>\$ 215,130,936</u>

See notes to financial statements

Public Housing Agency of the City of Saint Paul

Statements of Revenues, Expenses and Changes in Net Position
Years Ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Tenant rental revenue, net of bad debt	\$ 19,261,263	\$ 19,144,269
HUD operating grant revenue	75,006,184	74,405,717
Other revenue	9,230,834	8,283,595
	<u>103,498,281</u>	<u>101,833,581</u>
Operating Expenses		
Administrative	17,485,829	15,755,481
Tenant services	3,025,015	3,188,906
Housing assistance payments	53,297,368	49,855,013
Utilities	6,622,878	6,417,459
Ordinary maintenance and operations	15,802,440	13,879,272
Protective services	815,069	828,568
General expenses	3,369,958	3,398,903
Casualty losses and extraordinary maintenance, noncapitalized	171,912	73,418
Depreciation expense	9,053,102	9,302,110
	<u>109,643,571</u>	<u>102,699,130</u>
Total operating expenses	<u>109,643,571</u>	<u>102,699,130</u>
Operating gain (loss)	<u>(6,145,290)</u>	<u>(865,549)</u>
Nonoperating Revenues		
Investment income	16,355	4,488
Gain on disposition of capital assets	-	12,903
	<u>16,355</u>	<u>17,391</u>
Total nonoperating revenues	<u>16,355</u>	<u>17,391</u>
Gain (loss) before capital contributions	<u>(6,128,935)</u>	<u>(848,158)</u>
Capital Contributions		
HUD capital contributions	2,277,937	683,860
	<u>2,277,937</u>	<u>683,860</u>
Change in net position	(3,850,998)	(164,298)
Net Position, Beginning	<u>179,537,591</u>	<u>179,701,889</u>
Net Position, Ending	<u>\$ 175,686,593</u>	<u>\$ 179,537,591</u>

See notes to financial statements

Public Housing Agency of the City of Saint Paul

Statements of Cash Flows

Years Ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash received from tenants	\$ 19,553,292	\$ 19,552,089
Cash received from HUD subsidies	73,291,868	74,265,645
Other revenues	7,724,549	7,472,451
Cash paid for operating expenses	(82,419,440)	(77,168,938)
Cash payments to employees for services	(17,351,659)	(16,097,284)
	<u>798,610</u>	<u>8,023,963</u>
Net cash from operating activities		
Cash Flows From Capital and Related Financing Activities		
Cash received from HUD, capital grants	2,247,924	618,620
Acquisition and construction of capital assets	(4,618,988)	(6,482,655)
Proceeds from disposition of capital assets	-	12,903
Proceeds from debt issued	2,119,028	3,696,255
	<u>(252,036)</u>	<u>(2,154,877)</u>
Net cash from capital and related financing activities		
Cash Flows From Investing Activities		
Sales and maturities of investments	-	7,627,093
Investment income received	16,355	5,456
	<u>16,355</u>	<u>7,632,549</u>
Net cash from investing activities		
Net increase in cash and cash equivalents	562,929	13,501,635
Cash and Cash Equivalents, Beginning	<u>48,991,250</u>	<u>35,489,615</u>
Cash and Cash Equivalents, Ending	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>
Reconciliation of Operating Gain (Loss) to Net Cash From Operating Activities		
Operating gain (loss)	\$ (6,145,290)	\$ (865,549)
Adjustments to reconcile operating gain (loss) to net cash from operating activities:		
Depreciation	9,053,102	9,302,110
Changes in assets and liabilities		
Accounts and grants receivable	(1,986,148)	(786,784)
Prepaid expenses and inventory	(180,318)	(145,323)
Payables, security deposits, accrued expenses and unearned revenues	57,264	519,509
	<u>798,610</u>	<u>8,023,963</u>
Net cash from operating activities		
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 37,059,167	\$ 38,731,205
Cash and cash equivalents, restricted	12,495,012	10,260,045
	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>
Cash and Cash Equivalents		

See notes to financial statements

Public Housing Agency of the City of Saint Paul

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March 31, 2023 and 2022

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Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

1. Summary of Significant Accounting Policies

The accounting policies of the Public Housing Agency of the City of Saint Paul (the Agency) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to enterprise funds of governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Agency is a separate and independent agency, chartered as a political subdivision of the State of Minnesota (Laws of Minnesota, 1977, Chapter 228, Section 1). The reporting entity for the Agency consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Agency has not identified any organizations that meet this criteria.

Basis of Accounting and Basic Financial Statements

The Agency is a special-purpose government engaged only in business-type activities. The Agency has determined all its activities are classified and reported as required for enterprise funds and are therefore accounted for on the proprietary fund-type basis. The proprietary fund-type utilizes the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liability has been incurred, regardless of the timing of the related cash flows.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Agency's leasing activities. This standard was implemented April 1, 2022 and the accounting change has been applied to the prior period presented.

Fund Accounting, Measurement Focus and Financial Statement Presentation

For governmental accounting, a fund is used to report on the Agency's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

An enterprise fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

An enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise fund are charges to customers for services related to rental activity, including subsidies received from the Department of Housing and Urban Development (HUD) for administering these services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

March 31, 2023 and 2022

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

As a general rule, the effect of intergrant activity has been eliminated from the statements of revenues, expenses and changes in net position. In the statement of net position, amounts reported in the programs as intergrant receivables and payables have been eliminated.

The activities of the Agency are described as follows:

Low-Income

Low-Income records transactions relating to 418 scattered-site single family homes and duplexes located throughout the City of St. Paul. HUD provides operating subsidies for these units through a Consolidated Annual Contributions Contract (CACC). In accordance with Asset Management Reporting (AMP) as required by HUD beginning in 2009, the Low-income program also includes activity of Capital Fund Program (CFP) grants, which are modernization funds received from HUD for capital improvements, major repairs, management improvements, operational costs and related planning costs to improve the physical quality of low-income housing units.

Project Based Rental Assistance

Project Based Rental Assistance records transactions relating to the 16 hi-rises and four family developments totaling 3,836 dwelling units in eight Project groupings owned by the Agency. These units were converted from Low Income Public Housing through HUD's Rental Assistance Demonstration program in October 2019. The Agency receives operating subsidy for these Projects through eight Housing Assistance Payments contracts with HUD. Subsidy is limited to the difference between 30% of the participant's adjusted household income and the Project's established contract rents as determined by HUD based on unit size.

Section 8

The activities accounted for in Section 8 include the Housing Choice Voucher program (4,924 authorized vouchers, including 175 Family Unification Vouchers, 157 Emergency Housing Vouchers and 276 Veterans Affairs Supportive Housing Vouchers) and the Mainstream Voucher program (318 authorized vouchers) for a total of 5,242 vouchers. These activities were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rent payments for low-income persons. The individual's subsidy is limited to the difference between 30% of the participant's adjusted household income and the fair market rent, as determined by HUD for specific unit sizes.

Housing Choice Voucher (CACC No. MN001VO, as amended): Section 8 Housing Choice Voucher allows for non-Agency-owned housing units to be used for low-income housing. HUD provides a contracted dollar amount to the Agency, which is used to provide rental payment assistance to landlords.

The Agency administers the Family Unification Program (FUP) in partnership with Ramsey County Health and Human Services, who is responsible for referring FUP families to the Agency for determination of eligibility for rental assistance. Those vouchers assigned to families are permanent vouchers and are intended to initially reunify the family with access to affordable housing. Vouchers assigned to youth are intended to assist youth ages 18 to 24 who are aging out of foster care and those vouchers expire after 18 months.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

March 31, 2023 and 2022

The Agency also administers the Veterans Affairs Supportive Housing (VASH) vouchers in a partnership with the Department of Veterans Affairs (VA). The VA is responsible for referring eligible, homeless veterans to the Agency for determination of eligibility for rental assistance. These are permanent vouchers set-aside from the regular vouchers, and are intended for homeless veterans who are initially in need of case management and clinical services. The program began in 2008, and the PHA continues to receive additional VASH vouchers annually.

Mainstream 5-Year Voucher (CACC No. MN001DV, as amended): Section 8 Mainstream 5-Year Vouchers previously identified as Disability Vouchers that enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream 5-Year Vouchers assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Family Self Sufficiency (FSS)

The Family Self-Sufficiency (FSS) program is a HUD initiative intended to promote the development of local strategies to enable families both in Low Income Public Housing and the Housing Choice Voucher program achieve economic independence and self-sufficiency. The grant is one year in duration and needs to be renewed by application each year. The Agency currently has an active FSS program in the Housing Choice Voucher program and utilizes the grant funds for program coordination services.

Congregate Housing Services Program Grant (CHSP)

The National Affordable Housing Act (11-28-1990), Section 802, provides funding for CHSP, which operates in four high-rises. CHSP provides assistance in necessary daily living activities, which enables residents to maintain independent living status, as opposed to becoming dependent on institutionalized care. Meal service, housekeeping assistance, personal care assistance and case management are available to participants at four high-rise sites, with funding from this grant and through the coordination of volunteers and other in-kind contributions. Participants pay a HUD-regulated fee for services received.

Business Activities

This accounts for the central administrative office building. The Agency also leases space within this building to external parties. See Note 9 for additional information.

State/Local Activities

Wilder: The Wilder Foundation provides financial assistance to qualified residents who are in need of help with the cost of meals provided through the CHSP program. The surplus is the difference between the fees charged to Wilder for those residents' meals and the cost of those meals. The surplus is available for the administration of the CHSP grant.

Statewide Health Improvement Partnership (SHIP Grant): The SHIP Grant provides funding for implementation of active living, nutrition and tobacco cessation programs at all Project Based Rental Assistance locations. The grant is received through a partnership with the St. Paul-Ramsey County Department of Public Health.

Budgets

Budgets for Low-Income Public Housing, Project Based Rental Assistance and Section 8 are adopted and amended on a HUD-prescribed basis. In general, operating budgets are on an annual basis, while the budgets for grants supported by Capital Fund Program Grant funds cover up to four years. Expenditures may not exceed total allocations by grant, although there is some flexibility on a line-item basis within the grant.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments

The Agency may utilize U.S. Treasury securities, U.S. agency securities, bankers' acceptances and certain other authorized investments as determined by HUD and the State of Minnesota. All investments are carried at fair value, with the unrealized gains and losses reported as a component of investment income.

Restricted Cash and Investments

Mandatory segregations of assets are presented as restricted cash and investments. Such segregations are required by grantors or other external parties. As of March 31, 2023 and 2022, the Agency reported restricted cash and investments related to tenant security deposits and FSS escrow accounts as disclosed in Note 3 in addition to Section 8 housing assistance payment reserves and unspent CARES Act funds. In 2020, the Agency also established a reserve fund for replacement related to the project based rental assistance program. As of March 31, 2023 and 2022, the reserve fund for replacement had a balance of \$11,228,605 and \$8,764,531, respectively.

Accounts and Grants Receivable

Grants receivable consist of amounts due from HUD for reimbursement of expenses or costs incurred by the Agency as of year-end. Accounts receivable consist of amounts owed for tenant rent, Section 8 portability (from other housing authorities) and operating expense reimbursement amounts owed by external service providers. As of March 31, 2023 and 2022, accounts and grants receivable consist of \$3,499,911 and \$1,887,155 of grant receivables due from HUD and \$2,095,205 and \$1,691,800 of accounts receivable, respectively.

Prepaid Expenses and Inventory

Prepaid expenses consist of certain deposits and prepayments. Inventories are stated at average cost and consist of expendable supplies and materials. Items are expensed when consumed, using a moving weighted-average cost method.

Capital Assets

Land, structures and equipment are recorded at historical cost. Purchases over \$5,000 per unit and having a useful life of more than one year are capitalized. Donated assets are recorded at estimated acquisition value at the date of donation. Depreciation, using the straight-line method, is calculated on structures, site improvements and equipment over estimated useful lives as follows:

	<u>Estimated Life (In Years)</u>
Asset type:	
Land improvements	15
Buildings	30
Furniture, equipment, machinery, dwellings and administrative	3-10

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

HUD Subsidies and Contributions

Subsidies and contributions are recognized when eligibility requirements are met. These represent the most significant sources of revenue and contributed capital. The terms of these subsidies and contributions are defined in various Consolidated Annual Contributions Contracts. HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues. HUD contributions for project acquisition and development or modernization are recorded as capital contributions. HUD subsidies are included in HUD operating grant revenue within the statements of revenues, expenses and changes in net position.

Tenant Rental Revenue

Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a month-to-month basis.

Portability Revenue

Portability revenue, included in other revenue in the statements of revenues, expenses and changes in net position, is recognized based on housing assistance payments and administrative fees associated with incoming vouchers from other housing agencies.

Taxes

The Agency, as a political subdivision of the State of Minnesota, is exempt from state and federal income tax, as well as state and city sales tax.

Under a cooperation agreement, the Agency makes payments in lieu of property taxes (PILOT) to the City of St. Paul on its rental housing properties.

The Agency pays property tax on the portion of the central administrative office building rented by non-tax-exempt commercial entities.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an expense until that future time.

Unearned Revenues

The Agency reports unearned revenues on its statements of net position. Unearned revenues arise when resources arrive before the Agency has met the eligibility requirements, such as when grant money is received before the qualifying expenditure is made. In the subsequent period, when the Agency has met the eligibility requirements, the liability for unearned revenue is removed from the statement of net position and the revenue is recognized.

Compensated Absences

Employees earn vacation at rates from 10 to 30 days per year. Unused vacation is allowed to accumulate up to 280 hours. Under certain conditions, certain vacation hours may be surrendered for cash during active employment. Employees are paid for all accumulated vacation upon termination. Vacation is recorded as an expense and a liability during the fiscal year in which it is earned. The current portion of accrued compensated absences of \$1,139,222 and \$1,182,241 for 2023 and 2022, respectively, is included in accrued expenses on the statements of net position.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

March 31, 2023 and 2022

The Agency recognizes and compensates its employees for ten traditional holidays and two personal floating holidays. Holiday pay is recorded as salary expense when paid.

Employees earn sick leave at the rate of 120 hours per year. Unused sick leave is allowed to accumulate up to 2,400 hours per employee. Under certain conditions, employees may convert unused sick leave to hourly paid time or vacation time on a graduated percentage scale (between 25% and 55%). Employees are compensated for unused sick leave according to the same graduated scale at the time of separation from the Agency. Vested sick leave pay is recorded as an expense and a liability at the time the sick leave is earned.

Additional accruals are recorded for severance and retirement pay eligibility when earned during employment. In 2009, the labor groups agreed to have retirement pay contributed to an IRS-approved health care savings plan, thereby allowing a tax savings to the employee and the Agency.

Compensated absences paid during employment are charged to salaries. Termination settlements are charged to severance expense.

Long-Term Obligations

All long-term obligations to be repaid from Agency resources are reported as liabilities in the statement of net position. The long-term obligations consist primarily of mortgage loans payable, compensated absences and OPEB obligations.

Leases

The Agency is a lessor because it leases capital assets to other entities. As a lessor, the Agency reports a lease receivable and corresponding deferred inflow of resources in the financial statements. The Agency continues to report and depreciate the capital assets being leased as capital assets.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Net Position

Net position is classified and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation. Section 8 housing assistance payment reserves and remaining net position in the low-income program are considered restricted due to grantor restrictions.
- c. **Unrestricted Net Position** - All other net position that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources as they are needed.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

Reclassifications

Certain amounts appearing in the 2022 statement of net position have been reclassified to conform with the 2023 presentation. The reclassifications have no effect on the reported amounts of total assets, deferred outflows of resources, total liabilities, total deferred inflows of resources, total net position or total net position, except as follows.

The Agency adopted GASB Statement No. 87, *Leases*, effective April 1, 2022. The impact of the implementation did not affect net position. However, prior year balances were restated for the new standard at March 31, 2022:

	<u>As Originally Reported (3/31/22)</u>	<u>Adjustment for GASB No. 87</u>	<u>As Restated (3/31/22)</u>
Current portion of leases receivable	\$ -	\$ 254,736	\$ 254,736
Leases receivable	-	12,041,239	12,041,239
Deferred inflows related to leases	-	12,295,975	12,295,975

2. Cash and Investments

The Agency's deposits and investments consist of the following at March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Deposits with financial institutions: Depository accounts	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>
Total deposits	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>

Deposits and investments are classified in the accompanying financial statements at March 31, 2023 and 2022, as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 37,059,167	\$ 38,731,205
Cash and cash equivalents, restricted	<u>12,495,012</u>	<u>10,260,045</u>
Total	<u>\$ 49,554,179</u>	<u>\$ 48,991,250</u>

Custodial Credit Risk - Deposits

The Agency's investment policy requires the Agency to follow state statutes. The Agency maintains its deposits at depository banks and financial institutions authorized by the Board and all Agency deposits must be protected by insurance, surety bond or collateral. The surety bonds and/or the market value of collateral pledged must equal or exceed 110% of the deposits not covered by insurance or bonds. At March 31, 2023 and 2022, all certificates of deposit (CDs) held were fully insured by the Federal Deposit Insurance Corporation (FDIC) and depository accounts were secured by a collateral agreement with the bank.

All Agency checking accounts were maintained at depositories approved by the Board.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

Investments

Statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, repurchase agreements, money market mutual funds, local government investment pools and other forms as allowed by HUD and state law. The Agency's investment policy is limited to those investments authorized by statute.

The Agency had no investments as of March 31, 2023 and 2022.

Custodial Credit Risk

For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Agency will not be able to recover the value of its investments that are in the possession of another party. The Agency's custodial credit risk policy is to require all securities purchased to be made in such a manner that the securities are at all times insured, registered in the Agency's name or in the possession of the Agency.

3. Tenant Security Deposits and FSS Escrow

Residents are required to pay a security deposit when moving into Agency property. That deposit, plus accrued interest, less any amounts due to the Agency, is refundable upon move-out. For the years ended March 31, 2023 and 2022, Low Income Public Housing and Project Based Rental Assistance security deposits held by the Agency totaled \$1,062,439 and \$1,065,134, respectively, plus accrued interest, included in accrued expenses on the statement of net position, of \$93,451 and \$95,262, respectively.

An escrow account has been established for Section 8 participants in the Family Self-Sufficiency (FSS) program. A portion of rent paid by residents participating in this program is held for them until the participating family meets individually established self-sufficiency goals. The escrowed amount is turned over to the head of household upon completion of their specific work plan or when 30% of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. At March 31, 2023 and 2022, FSS escrow amounts held by the Agency, included in other noncurrent liabilities on the statements of net position, totaled \$67,951 and \$51,642, respectively.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

4. Capital Assets

The following is a summary by category of capital assets as of March 31, 2023:

	<u>Balance March 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2023</u>
Capital assets not being depreciated:				
Land	\$ 8,346,791	\$	\$ (20,496)	\$ 8,326,295
Construction in progress	566,073	1,849,680	-	2,415,753
	<u>8,912,864</u>	<u>1,849,680</u>	<u>(20,496)</u>	<u>10,742,048</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Land improvements	28,623,004	90,496	-	28,713,500
Buildings	373,856,515	2,415,950	-	376,272,465
Furniture, equipment and machinery, dwellings and administrative	3,089,416	56,866	-	3,146,282
	<u>405,568,935</u>	<u>2,563,312</u>	<u>-</u>	<u>408,132,247</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Land improvements	26,879,011	201,361	-	27,080,372
Buildings	236,007,669	8,703,268	-	244,710,937
Furniture, equipment and machinery, dwellings and administrative	2,867,280	148,473	-	3,015,753
	<u>265,753,960</u>	<u>9,053,102</u>	<u>-</u>	<u>274,807,062</u>
Total accumulated depreciation				
Total depreciable assets, net	<u>139,814,975</u>	<u>(6,489,790)</u>	<u>-</u>	<u>133,325,185</u>
Capital assets, net	<u>\$ 148,727,839</u>	<u>\$ (4,640,110)</u>	<u>\$ (20,496)</u>	<u>\$ 144,067,233</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

The following is a summary by category of capital assets as of March 31, 2022:

	<u>Balance March 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2022</u>
Capital assets not being depreciated:				
Land	\$ 8,326,295	\$ 20,496	\$ -	\$ 8,346,791
Construction in progress	1,004,274	683,860	1,122,061	566,073
Total capital assets not being depreciated	<u>9,330,569</u>	<u>704,356</u>	<u>1,122,061</u>	<u>8,912,864</u>
Capital assets being depreciated:				
Land improvements	28,610,779	12,225	-	28,623,004
Buildings	367,539,204	6,317,311	-	373,856,515
Furniture, equipment and machinery, dwellings and administrative	3,104,644	40,111	55,339	3,089,416
Total capital assets being depreciated	<u>399,254,627</u>	<u>6,369,647</u>	<u>55,339</u>	<u>405,568,935</u>
Less accumulated depreciation for:				
Land improvements	26,637,417	241,594	-	26,879,011
Buildings	227,170,060	8,837,609	-	236,007,669
Furniture, equipment and machinery, dwellings and administrative	2,699,712	222,907	55,339	2,867,280
Total accumulated depreciation	<u>256,507,189</u>	<u>9,302,110</u>	<u>55,339</u>	<u>265,753,960</u>
Total depreciable assets, net	<u>142,747,438</u>	<u>(2,932,463)</u>	<u>-</u>	<u>139,814,975</u>
Capital assets, net	<u>\$ 152,078,007</u>	<u>\$ (2,228,107)</u>	<u>\$ 1,122,061</u>	<u>\$ 148,727,839</u>

5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended March 31, 2023:

	<u>Balance March 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance March 31, 2023</u>	<u>Due Within One Year</u>
Mortgage loans payable	\$ 9,951,255	\$ 2,119,028	\$ -	\$ 12,070,283	\$ -
Compensated absences	2,740,291	2,100,864	2,047,192	2,793,963	1,139,222
Other postemployment benefits	2,664,398	-	134,259	2,530,139	-
FSS escrow	51,642	16,309	-	67,951	-
Total	<u>\$ 15,407,586</u>	<u>\$ 4,236,201</u>	<u>\$ 2,184,451</u>	<u>\$ 17,462,336</u>	<u>\$ 1,139,222</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

March 31, 2023 and 2022

The following is a summary of changes in long-term liabilities for the year ended March 31, 2022:

	<u>Balance</u> <u>March 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>March 31, 2022</u>	<u>Due Within</u> <u>One Year</u>
Mortgage loans payable	\$ 6,255,000	\$ 3,696,255	\$ -	\$ 9,951,255	\$ -
Compensated absences	3,007,587	1,631,756	1,899,052	2,740,291	1,182,241
Other postemployment benefits	2,556,315	108,083	-	2,664,398	-
FSS escrow	33,443	18,199	-	51,642	-
Total	<u>\$ 11,852,345</u>	<u>\$ 5,454,293</u>	<u>\$ 1,899,052</u>	<u>\$ 15,407,586</u>	<u>\$ 1,182,241</u>

Other Debt Information

There are a number of limitations and restrictions contained in the loan agreements. The Agency believes it is in compliance with all significant limitations and restrictions.

All of the Agency's outstanding mortgage loans payable are considered direct borrowings and contain provisions that in an event of default, the mortgagor may foreclose on the mortgaged property in addition to other provisions detailed below.

Mortgage Loans Payable

Mortgage loans payable at March 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Deferred mortgage loan payable of \$825,000 to the Minnesota Housing Finance Agency (MHFA) dated July 15, 2014. This publicly owned housing program loan is noninterest bearing and is due July 15, 2034. If the development is used for public housing for 20 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	\$ 825,000	\$ 825,000
Mortgage loan payable of \$540,000 to the Minnesota Housing Finance Agency (MHFA) dated December 15, 2014. This economic development and housing challenge program mortgage note is noninterest bearing and is due December 15, 2044. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	540,000	540,000
Mortgage loan payable of \$360,000 to the Minnesota Housing Finance Agency (MHFA) dated December 7, 2015. This economic development and housing challenge program mortgage note is noninterest bearing and is due December 7, 2045. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	360,000	360,000

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Deferred mortgage loan payable of \$1,200,000 to the Minnesota Housing Finance Agency (MHFA) dated March 22, 2016. This publicly owned housing program loan is noninterest bearing and is due March 22, 2036. If the development is used for public housing for 20 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	\$ 1,200,000	\$ 1,200,000
Mortgage loan payable of \$1,080,000 to the Minnesota Housing Finance Agency (MHFA) dated May 16, 2017. This economic development and housing challenge program mortgage note is noninterest bearing and is due May 16, 2047. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	1,080,000	1,080,000
Deferred mortgage loan payable of \$500,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated February 9, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due February 9, 2033. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	500,000	500,000
Deferred mortgage loan payable of \$750,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 21, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due 15 years after substantial completion, which the Agency expects to be December 21, 2033. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	750,000	750,000
Mortgage loan payable of \$1,000,000 to the Minnesota Housing Finance Agency (MHFA) dated March 17, 2020. This publicly owned housing program loan is noninterest bearing and is due March 18, 2040. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	1,000,000	1,000,000
Deferred mortgage loan payable of \$690,070 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 12, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due October 6, 2036. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	690,070	690,070

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements

March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Deferred mortgage loan payable of \$607,425 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 12, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due September 27, 2036. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	\$ 607,425	\$ 607,425
Deferred mortgage loan payable of \$750,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 12, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due November 8, 2036. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	750,000	750,000
Deferred mortgage loan payable of \$648,760 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 12, 2018. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due November 8, 2036. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	648,760	648,760
Deferred mortgage loan payable of \$1,000,000 to the Federal Home Loan Bank of Des Moines (FHLB) dated December 12, 2019. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due January 18, 2037. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	1,000,000	1,000,000
Deferred mortgage loan payable of \$624,894 to the Federal Home Loan Bank of Des Moines (FHLB) dated May 20, 2022. This Affordable Housing Program Agreement mortgage note is noninterest bearing and is due May 18, 2038. If the development is used for public housing for 15 years from the date of the mortgage note, repayment will be forgiven. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	624,894	-

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Mortgage loan payable of \$781,293 to the Minnesota Housing Finance Agency (MHFA) dated February 7, 2023. This publicly owned housing program loan is noninterest bearing and is due February 6, 2043. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable.	\$ 781,293	\$ -
Mortgage loan payable of \$1,000,000 to the Minnesota Housing Finance Agency (MHFA) dated April 7, 2024. This publicly owned housing program loan is noninterest bearing and is due April 6, 2044. If the Agency transfers ownership to another party or no longer occupies the property, the note shall become immediately payable. (1)	<u>712,841</u>	<u>-</u>
Total	<u>\$ 12,070,283</u>	<u>\$ 9,951,225</u>

(1) During fiscal year 2023 the Agency was authorized to issued \$1,000,000 of mortgage loans. The original amount above has been issued as of March 31, 2023. The repayment schedule is for the amount issued.

Debt service requirements to maturity by fiscal year are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending March 31:			
2033	\$ 500,000	\$ -	\$ 500,000
2034	750,000	-	750,000
2035	825,000	-	825,000
2036	1,200,000	-	1,200,000
2037	3,696,255	-	3,696,255
2038	624,894	-	624,894
2040	1,000,000	-	1,000,000
2043	781,293	-	781,293
2044	712,841	-	712,841
2045	540,000	-	540,000
2046	360,000	-	360,000
2048	<u>1,080,000</u>	<u>-</u>	<u>1,080,000</u>
Total	<u>\$ 12,070,283</u>	<u>\$ -</u>	<u>\$ 12,070,283</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

6. Pension Plan

The Agency requires all full-time employees to be part of a 401(a) defined contribution plan. The Pension Plan of the Housing and Redevelopment Authority of the City of St. Paul, Minnesota was established before the Agency became an independent entity; consequently, 7 City of Saint Paul employees (two employed and five retired) are still part of the plan. For all other intents and purposes, it is a single-employer plan. A Board of Trustees independent of the Agency administers the plan. The Agency has the authority for establishing or amending contribution requirements.

Contributions are required of both the employer and employee participants equal to 7% and 5% of each employee's monthly base salary, respectively. Voluntary contributions and rollover contributions are also allowed. Employer contributions to the plan were approximately \$1,131,000 and \$979,000 and employee contributions amounted to approximately \$835,578 and \$768,561 for the years ended March 31, 2023 and 2022, respectively. Approximately \$39,000 and \$64,000 of forfeitures were recognized in the pension expense of the employer, for the years ended March 31, 2023 and 2022, respectively.

Employer and employee monthly contributions are invested by the participants in a selection of mutual fund shares. Vesting for employer contributions occurs on an incremental basis, with full vesting achieved at five years of service, attaining the age of 55 or termination of service due to disability. Employee contributions are fully vested at the time of contribution.

7. Other Postemployment Benefits

General Information About the Plan

Plan Description

Employees who have Agency-sponsored health coverage in force as of their termination date and who meet certain age and length of service requirements may be eligible for the Agency's single-employer defined benefit retiree health care plan. Eligible retirees may continue health coverage in the Agency's group health insurance program until they meet Medicare eligibility requirements.

From the date of retirement to the day the retiree meets Medicare eligibility requirements, retirees may participate in the Agency's group health coverage program with access to the same health plan (and benefit levels) available to active employees. Retirees can qualify to receive an Agency contribution of \$929 a month toward health plan premium until they meet Medicare eligibility requirements by meeting one of three specific age and length of service requirements.

The current retiree health care benefit plan is approved by the Agency's Board of Commissioners on a year-to-year basis. According to Minnesota Statute 179A.20, subdivision 2a, a contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract. The statute also states that a personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy. Within the dictates of existing contracts, the Board of Commissioners may change the benefit structure at any time. The retiree health care plan does not issue a publicly available financial report.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

Benefits Provided

Postemployment health care benefits are currently funded on a pay-as-you-go basis. The Board of Commissioners may change the funding policy at any time. In the years ended March 31, 2023 and 2022, the Agency paid \$929 and \$866 per month for the enrolled retirees described above, while these retirees contributed the excess of the cost of their plan per month to the Agency. In the years ended March 31, 2023 and 2022, member contributions totaled \$4,335 and \$3,484.

Employees Covered by Benefit Terms

At March 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	9
Active plan members electing coverage	213
Active plan members waiving coverage	24
	<hr/>
	246
	<hr/> <hr/>

Total OPEB Liability

The Agency's total OPEB liability as of March 31, 2023 of \$2,530,139 was measured as of March 31, 2022 and determined by an actuarial valuation as of March 31, 2022. The Agency's total OPEB liability as of March 31, 2022 of \$2,664,398 was measured and determined by an actuarial valuation as of March 31, 2021.

Actuarial assumptions and other inputs

The total OPEB liability in the March 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
	Based on the actuarial assumptions used in the July 1, 2022 PERA General Employees Retirement Plan valuation
Salary increases	6.8% for 2023 decreasing gradually over several decades to an ultimate rate of 3.9% for 2076 and later years
Healthcare cost trend rates	
Retirees' share of benefit related costs	Varies

The discount rate was based on a Fidelity 20 year Municipal AA Index.

Mortality rates were based on the July 1, 2022 PERA of Minnesota General Employees Retirement Plan actuarial valuation PUB-2010 General mortality tables with projected mortality improvements based on scale MP-2021 and other adjustments.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

The total OPEB liability in the March 31, 2020 actuarial valuation, used to determine the March 31, 2022 total OPEB liability, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
	Based on the actuarial assumptions used in the July 1, 2020 PERA General Employees Retirement Plan valuation
Salary increases	6.7% for 2021 decreasing gradually over several decades to an ultimate rate of 3.8% for 2076 and later years
Healthcare cost trend rates	
Retirees' share of benefit related costs	Varies

The discount rate was based on a Fidelity 20 year Municipal AA Index.

Mortality rates were based on the July 1, 2020 PERA of Minnesota General Employees Retirement Plan actuarial valuation PUB-2010 General mortality tables with projected mortality improvements based on scale MP-2019 and other adjustments.

Changes in the Total OPEB Liability

	Years Ended March 31	
	2023	2022
Balance, Beginning	\$ 2,664,398	\$ 2,556,315
Changes for the year:		
Service cost	142,452	133,424
Interest	61,800	64,630
Differences between expected and actual experience	(124,855)	31,617
Changes in assumptions or other inputs	(44,905)	45,765
Benefit payments	(168,751)	(167,353)
Net changes	(134,259)	108,083
Balance, Ending	\$ 2,530,139	\$ 2,664,398

Changes of benefit terms for the year ended March 31, 2023 reflect an increase in the Agency's share of health insurance premiums from \$866 in 2022 to \$929 in 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.27% as of March 31, 2022, to 2.83% for the year ended March 31, 2023. Also the percent of future retirees assumed to elect coverage changed from 10% to 15% from 2022 to 2023, to reflect recent plan experience.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability for the year ended:			
March 31, 2023 (2.83%)	\$ 2,747,342	\$ 2,530,139	\$ 2,331,682
March 31, 2022 (2.27%)	2,897,364	2,664,398	2,455,782

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability for the years ended:			
March 31, 2023	2,291,815	2,530,139	2,803,803
March 31, 2022	2,388,846	2,664,398	2,987,944

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended March 31, 2023 and 2022, the Agency recognized OPEB expense of \$153,578 and \$174,921. At March 31, 2023 and 2022, the Agency reported deferred outflows related to OPEB from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual liability	\$ 21,515	\$ 112,299
Change of assumptions	50,120	194,248
Contributions between measurement date and reporting date	172,659	-
Total	<u>\$ 244,294</u>	<u>\$ 306,547</u>
	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual liability	\$ 26,566	\$ 6,744
Change of assumptions	71,531	204,529
Contributions between measurement date and reporting date	300,805	-
Total	<u>\$ 398,902</u>	<u>\$ 211,273</u>

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

The \$172,659 and \$300,805 reported as deferred outflows resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended March 31, 2024 and 2023, respectively. Amounts reported as deferred outflows of resources related to OPEB as of March 31, 2023 will be recognized in OPEB expense as follows:

Years ending March 31		
2024	\$	(51,789)
2025		(58,782)
2026		(64,774)
2027		(28,071)
2028		(24,331)
Thereafter		(7,165)
		(234,912)
Total	\$	(234,912)

8. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

The Agency has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Construction Commitments

The Agency has entered into various contracts for construction projects, mainly relating to the Capital Fund programs. As of March 31, 2023, the remaining commitment on these construction projects totaled approximately \$1,377,000.

9. Lease Receivables

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance March 31, 2023</u>	<u>Balance March 31, 2022</u>
Cell sites	2001-2023	2028-2044	2.5%	\$ 15,101,264	\$ 12,295,975
Total governmental activities, lease receivables				\$ 15,101,264	\$ 12,295,975

The Agency recognized \$330,393 of lease revenue during the fiscal year.

The Agency recognized \$537,635 of interest revenue during the fiscal year.

Components of lease and interest revenue for the fiscal year ended March 31, 2022 were deemed immaterial and, therefore, not disclosed.

10. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Agency has purchased commercial insurance, which provides for these various risks of loss. Settled claims from insured losses have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Public Housing Agency of the City of Saint Paul

Notes to Financial Statements
March 31, 2023 and 2022

11. Economic Dependency

The Agency is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD). The Agency operates at a loss prior to receiving contributions and grants from HUD.

12. Recent Accounting Pronouncements

Accounting standards adopted during fiscal years 2023 and 2022 that impact the Agency's current financial reporting:

- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was adopted in fiscal year 2022. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.
- GASB Statement No. 87, *Leases* was adopted in fiscal year 2023. This statement addresses accounting and financial reporting for leases and requires recognition for certain lease assets and liabilities for leases previously classified as operation leases.

Accounting standards considered during fiscal years 2023 and 2022 deemed not applicable:

- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 92, *Omnibus 2020*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
- GASB Statement No. 94, *Public - Private and Public-Public Partnerships and Availability Payment Agreements*
- GASB Statement No. 97, *Certain Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

Accounting standards that may impact the Agency's financial reporting in subsequent years:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on accounting and reporting for subscription-based information technology arrangements. This statement will be effective for fiscal year ending March 31, 2024.
- GASB Statement No. 99, *Omnibus 2022*. This statement is to enhance comparability in accounting and financial reporting and to improve consistency in authoritative literature. This statement will be effective for fiscal year ending March 31, 2024.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*. This statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. This statement will be effective for fiscal year ending March 31, 2025.
- GASB Statement No. 101, *Compensated Absences*. This statement provides updates to the recognition and measurement guidance for compensated absences. This statement will be effective for fiscal year March 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Public Housing Agency of the City of Saint Paul

Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios
Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability					
Service cost	\$ 142,452	\$ 133,424	\$ 124,075	\$ 114,100	\$ 104,937
Interest	61,800	64,630	97,036	97,873	99,190
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(124,855)	31,617	(9,910)	-	-
Changes of assumptions	(44,905)	45,765	(300,552)	41,657	40,687
Benefit payments	<u>(168,751)</u>	<u>(167,353)</u>	<u>(135,140)</u>	<u>(139,748)</u>	<u>(166,442)</u>
Net change in total OPEB liability	(134,259)	108,083	(224,491)	113,882	78,372
Total OPEB Liability, Beginning	<u>2,664,398</u>	<u>2,556,315</u>	<u>2,780,806</u>	<u>2,666,924</u>	<u>2,588,552</u>
Total OPEB Liability, Ending	<u>\$ 2,530,139</u>	<u>\$ 2,664,398</u>	<u>\$ 2,556,315</u>	<u>\$ 2,780,806</u>	<u>\$ 2,666,924</u>
Covered-employee payroll	\$ 15,775,010	\$ 16,150,525	\$ 15,247,860	\$ 13,930,056	\$ 13,565,693
Total OPEB liability as a percentage of covered-employee payroll	16.04%	16.50%	16.77%	19.96%	19.66%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of March 31, 2022, one year prior to the end of the fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Straight-line
Amortization period	Closed 5 year period
Asset valuation method	N/A
Inflation	2.50%
Healthcare cost trend rates	6.8% initial, varying by year to an ultimate rate of 3.9%
Salary increases	Based on current actuarial assumptions for the PERA General Employees Retirement Plan valuation
Investment rate of return	N/A
Retirement age	Based on Agency experience
Mortality	Based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments

Benefit changes. Changes of benefit terms for the year ended March 31, 2023 reflect an increase in the Agency's share of health insurance premiums from \$866 in 2022 to \$929 in 2023.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Agency implemented GASB Statement No. 75 in fiscal year 2019. Information prior to fiscal year 2019 is not available.

Note: This schedule is to show information for 10 years. However, until a full 10-year trend is compiled, only the available years are presented.

SUPPLEMENTARY INFORMATION

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Balance Sheet - All Programs

March 31, 2023

Line Item No.	Account Descriptions	Project Total	14.170 Congregate Housing Service Program	14.896 PIH Family Self-Sufficiency Program	Business Activities	State/Local
Assets						
Current assets:						
Cash:						
111	Cash, unrestricted and development	\$ 1,666,958	\$ -	\$ -	\$ 4,371,749	\$ 122,740
112	Cash, restricted, modernization	-	-	-	-	-
113	Cash, other restricted	-	-	-	-	-
114	Cash, tenant security deposits	107,090	-	-	-	-
115	Cash, restricted for payment of current liabilities	-	-	-	-	-
100	Total cash	1,774,048	-	-	4,371,749	122,740
Accounts and notes receivable:						
121	Accounts receivable, PHA projects	-	-	-	215,427	-
122	Accounts receivable, HUD other projects	193,481	313,569	-	-	-
124	Accounts receivable, other government	-	-	-	-	265,078
125	Accounts receivable, miscellaneous	-	-	-	-	-
126	Accounts receivable, tenants	48,177	-	-	-	-
127	Notes, loans and mortgages receivable, current	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	241,658	313,569	-	215,427	265,078
Investments and other assets:						
142	Prepaid expenses and other assets	1,270	-	-	76,084	-
143	Inventories	-	-	-	-	-
144	Inter program due from	-	-	-	-	-
150	Total current assets	2,016,976	313,569	-	4,663,260	387,818
Noncurrent assets:						
161	Land	6,394,585	-	-	1,863,071	-
162	Buildings	39,808,936	-	-	13,296,176	-
164	Furniture, equipment and machinery, administration	96,331	-	-	83,025	-
166	Accumulated depreciation	(33,840,404)	-	-	(8,539,875)	-
167	Construction in progress	2,415,753	-	-	-	-
160	Total capital assets, net of accumulated depreciation	14,875,201	-	-	6,702,397	-
174	Other assets	-	-	-	-	-
180	Total noncurrent assets	14,875,201	-	-	6,702,397	-
200	Deferred outflow of resources	17,731	-	-	17,681	-
290	Total assets and deferred outflow of resources	\$ 16,909,908	\$ 313,569	\$ -	\$ 11,383,338	\$ 387,818

14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Central Office Cost Center (COCC)	Subtotal	Eliminations	Total
\$ 25,122,474	\$ 314,931	\$ 2,408,096	\$ 64,938	\$ 2,987,281	\$ 37,059,167	\$ -	\$ 37,059,167
11,228,605	-	-	-	-	11,228,605	-	11,228,605
-	-	-	89,541	-	89,541	-	89,541
1,069,776	-	-	-	-	1,176,866	-	1,176,866
-	-	-	-	-	-	-	-
<u>37,420,855</u>	<u>314,931</u>	<u>2,408,096</u>	<u>154,479</u>	<u>2,987,281</u>	<u>49,554,179</u>	<u>-</u>	<u>49,554,179</u>
-	-	-	-	-	215,427	-	215,427
-	68,123	2,924,739	-	-	3,499,912	-	3,499,912
-	-	-	-	-	265,078	-	265,078
38,929	-	655,047	-	29,740	723,716	-	723,716
842,806	-	-	-	-	890,983	-	890,983
-	-	-	-	542,885	542,885	(542,885)	-
<u>881,735</u>	<u>68,123</u>	<u>3,579,786</u>	<u>-</u>	<u>572,625</u>	<u>6,138,001</u>	<u>(542,885)</u>	<u>5,595,116</u>
445,999	1,249	28,474	-	142,790	695,866	-	695,866
192,115	-	-	-	327,221	519,336	-	519,336
-	-	253,378	-	268,444	521,822	(521,822)	-
<u>38,940,704</u>	<u>384,303</u>	<u>6,269,734</u>	<u>154,479</u>	<u>4,298,361</u>	<u>57,429,204</u>	<u>(1,064,707)</u>	<u>56,364,497</u>
28,782,140	-	-	-	-	37,039,796	-	37,039,796
323,167,354	-	-	-	-	376,272,466	-	376,272,466
1,915,562	-	-	-	1,051,364	3,146,282	-	3,146,282
(231,379,512)	-	-	-	(1,047,273)	(274,807,064)	-	(274,807,064)
-	-	-	-	-	2,415,753	-	2,415,753
<u>122,485,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,091</u>	<u>144,067,233</u>	<u>-</u>	<u>144,067,233</u>
15,101,264	-	-	-	103,131	15,204,395	-	15,204,395
137,586,808	-	-	-	107,222	159,271,628	-	159,271,628
147,998	1,424	34,062	-	25,398	244,294	-	244,294
<u>\$ 176,675,510</u>	<u>\$ 385,727</u>	<u>\$ 6,303,796</u>	<u>\$ 154,479</u>	<u>\$ 4,430,981</u>	<u>\$ 216,945,126</u>	<u>\$ (1,064,707)</u>	<u>\$ 215,880,419</u>

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Balance Sheet - All Programs

March 31, 2023

Line Item No.	Account Descriptions	Project Total	14.170 Congregate Housing Service Program	14.896 PIH Family Self-Sufficiency Program	Business Activities	State/Local
Liabilities and Net Position						
Liabilities:						
Current liabilities:						
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ 525	\$ 11,700
321	Accrued wage/payroll taxes payable	63,929	24,041	-	125,622	-
322	Accrued compensated absences, current portion	84,560	-	-	41,673	-
325	Accrued interest payable	11,978	-	-	-	-
333	Accounts payable, other government	105,060	-	-	8,351	-
341	Tenant security deposits	107,090	-	-	-	-
342	Unearned revenue	62,847	-	-	-	-
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities, other	58,085	4,611	-	79,292	-
347	Inter program, due to	-	268,444	-	-	253,378
348	Loan liability, current	-	-	-	-	-
310	Total current liabilities	<u>493,549</u>	<u>297,096</u>	<u>-</u>	<u>255,463</u>	<u>265,078</u>
Noncurrent liabilities:						
353	Noncurrent liabilities, other	-	-	-	-	-
354	Accrued compensated absences, noncurrent	98,063	-	-	21,680	-
355	Loan liability, noncurrent	-	-	-	-	-
357	Accrued pension and OPEB liabilities	150,240	-	-	15,613	-
350	Total noncurrent liabilities	<u>248,303</u>	<u>-</u>	<u>-</u>	<u>37,293</u>	<u>-</u>
300	Total liabilities	<u>741,852</u>	<u>297,096</u>	<u>-</u>	<u>292,756</u>	<u>265,078</u>
400	Deferred inflow of resources	<u>20,756</u>	<u>-</u>	<u>-</u>	<u>41,402</u>	<u>-</u>
508.4	Net investment in capital assets	14,875,201	-	-	6,702,397	-
511.4	Restricted net position	1,272,099	16,473	-	-	-
512.4	Unrestricted net position	-	-	-	4,346,783	122,740
513	Total equity, net assets / position	<u>16,147,300</u>	<u>16,473</u>	<u>-</u>	<u>11,049,180</u>	<u>122,740</u>
600	Total liabilities, deferred inflows of resources and equity, net	<u>\$ 16,909,908</u>	<u>\$ 313,569</u>	<u>\$ -</u>	<u>\$ 11,383,338</u>	<u>\$ 387,818</u>

14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Central Office Cost Center (COCC)	Subtotal	Eliminations	Total
\$ -	\$ 13,002	\$ 442,802	\$ 7,681	\$ 1,452,521	\$ 1,928,231	\$ -	\$ 1,928,231
649,066	9,143	149,078	-	77,318	1,098,197	-	1,098,197
840,282	3,547	191,386	-	17,220	1,178,668	-	1,178,668
81,474	-	-	-	-	93,452	-	93,452
514,865	-	-	-	-	628,276	-	628,276
955,349	-	-	-	-	1,062,439	-	1,062,439
1,082,081	-	23	89,541	12,283	1,246,775	-	1,246,775
-	-	67,951	-	48,690	116,641	-	116,641
571,183	4,286	60,287	-	287,256	1,065,000	-	1,065,000
-	-	-	-	-	521,822	(521,822)	-
542,885	-	-	-	-	542,885	(542,885)	-
<u>5,237,185</u>	<u>29,978</u>	<u>911,527</u>	<u>97,222</u>	<u>1,895,288</u>	<u>9,482,386</u>	<u>(1,064,707)</u>	<u>8,417,679</u>
113,173	-	-	-	-	113,173	-	113,173
876,440	-	205,255	-	453,303	1,654,741	-	1,654,741
-	-	-	-	-	-	-	-
12,070,283	-	-	-	-	12,070,283	-	12,070,283
1,522,209	7,967	334,884	-	499,226	2,530,139	-	2,530,139
<u>14,582,105</u>	<u>7,967</u>	<u>540,139</u>	<u>-</u>	<u>952,529</u>	<u>16,368,336</u>	<u>-</u>	<u>16,368,336</u>
<u>19,819,290</u>	<u>37,945</u>	<u>1,451,666</u>	<u>97,222</u>	<u>2,847,817</u>	<u>25,850,722</u>	<u>(1,064,707)</u>	<u>24,786,015</u>
<u>15,292,810</u>	<u>2,795</u>	<u>45,498</u>	<u>-</u>	<u>4,550</u>	<u>15,407,811</u>	<u>-</u>	<u>15,407,811</u>
110,415,261	-	-	-	4,091	131,996,950	-	131,996,950
12,298,381	-	-	-	-	13,586,953	-	13,586,953
18,849,768	344,987	4,806,632	57,257	1,574,523	30,102,690	-	30,102,690
<u>141,563,410</u>	<u>344,987</u>	<u>4,806,632</u>	<u>57,257</u>	<u>1,578,614</u>	<u>175,686,593</u>	<u>-</u>	<u>175,686,593</u>
<u>\$ 176,675,510</u>	<u>\$ 385,727</u>	<u>\$ 6,303,796</u>	<u>\$ 154,479</u>	<u>\$ 4,430,981</u>	<u>\$ 216,945,126</u>	<u>\$ (1,064,707)</u>	<u>\$ 215,880,419</u>

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Schedule of Revenues, Expenses and Change in Net Position - All Programs
 Year Ended March 31, 2023

Line Item No.	Account Descriptions	Project Total	14.170 Congregate Housing Service Program	14.896 PIH Family Self-Sufficiency Program	Business Activities	State/Local
Revenues						
70300	Net tenant rental revenue	\$ 2,915,279	\$ -	\$ -	\$ -	\$ -
70500	Total tenant revenue	2,915,279	-	-	-	-
70600	HUD PHA operating grants	663,815	978,955	-	-	-
70610	Capital grants	2,277,937	-	-	-	-
70710	Management fee	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-
70750	Other fees	-	-	-	3,864,192	-
70700	Total fee revenue	-	-	-	3,864,192	-
70800	Other government grants	-	-	-	-	149,147
71100	Investment income, unrestricted	(871)	-	-	177	-
71400	Fraud recovery	-	-	-	-	-
71500	Other revenue	73,663	1,200,991	-	1,059,975	3,689
71600	Gain or loss on sale of capital assets	-	-	-	-	-
70000	Total revenue	5,929,823	2,179,946	-	4,924,344	152,836
Expenses						
Administrative:						
91100	Administrative salaries	605,169	6,324	-	2,264,311	1,312
91200	Auditing fees	5,346	400	-	2,775	-
91300	Management fee	482,225	-	-	-	-
91310	Bookkeeping fee	36,660	-	-	-	-
91400	Advertising and marketing	9	-	-	2,687	-
91500	Employee benefit contributions, administrative	177,738	2,052	-	755,324	536
91600	Office expenses	32,142	-	-	459,378	-
91700	Legal expense	-	-	-	206,903	-
91800	Travel	-	-	-	6,218	-
91900	Other	21,161	63,200	-	501,813	8,289
91000	Total operating, administrative	1,360,450	71,976	-	4,199,409	10,137
92000	Asset management fee	50,160	-	-	-	-
Tenant services:						
92100	Tenant services, salaries	64,117	493,396	-	-	-
92300	Employee benefit contributions, tenant services	-	171,856	-	-	-
92400	Tenant services, other	5,462	1,426,245	-	64,336	-
92500	Total tenant services	69,579	2,091,497	-	64,336	-
Utilities:						
93100	Water	419,146	-	-	5,684	-
93200	Electricity	5,578	-	-	85,569	-
93300	Gas	13,476	-	-	-	-
93400	Fuel	-	-	-	-	-
93500	Labor	8,942	-	-	5,103	-
93700	Employee benefit contributions, utilities	2,635	-	-	1,646	-
93800	Other utilities expense	21	-	-	234,119	-
93000	Total utilities	449,798	-	-	332,121	-
Ordinary maintenance and operations:						
94100	Labor	714,651	-	-	17,704	-
94200	Materials	94,380	-	-	5,500	-
94300	Contracts	1,028,973	-	-	269,923	-
94500	Employee benefit contributions	321,555	-	-	31,995	-
94000	Total maintenance	2,159,559	-	-	325,122	-
Protective services:						
95200	Contracts	212	-	-	74,442	-
95000	Total protective services	212	-	-	74,442	-

14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	Central Office Cost Center (COCC)	Subtotal	Eliminations	Total
\$ 16,806,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,721,923	\$ -	\$ 19,721,923
16,806,644	-	-	-	-	-	-	19,721,923	-	19,721,923
20,192,129	2,973,870	48,910,179	-	-	1,287,236	-	75,006,184	-	75,006,184
-	-	-	-	-	-	-	2,277,937	-	2,277,937
-	-	-	-	-	-	482,225	482,225	(482,225)	-
-	-	-	-	-	-	50,160	50,160	(50,160)	-
-	-	-	-	-	-	36,660	36,660	(36,660)	-
-	-	-	-	-	-	-	3,864,192	(3,864,192)	-
-	-	-	-	-	-	569,045	4,433,237	(4,433,237)	-
-	-	-	-	-	-	-	149,147	-	149,147
(10,015)	-	16,443	-	-	-	10,621	16,355	-	16,355
-	-	599,574	-	-	-	-	599,574	-	599,574
1,414,129	-	5,069,128	-	-	-	3,636	8,825,211	(343,098)	8,482,113
-	-	-	-	-	-	-	-	-	-
38,402,887	2,973,870	54,595,324	-	-	1,287,236	583,302	111,029,568	(4,776,335)	106,253,233
4,671,267	159,556	2,613,483	-	-	-	188,281	10,509,703	-	10,509,703
47,357	1,685	24,153	-	-	-	352	82,068	-	82,068
3,265,776	-	-	-	-	-	-	3,748,001	(3,748,001)	-
460,320	-	-	-	-	-	-	496,980	(496,980)	-
4,191	14	2,011	-	-	-	152	9,064	-	9,064
1,557,998	53,095	898,484	-	-	-	65,931	3,511,158	-	3,511,158
445,141	20,469	336,919	-	-	-	53,116	1,347,165	(322,150)	1,025,015
329,296	16,433	230,085	-	-	-	41,228	823,945	-	823,945
64	584	9,559	-	-	-	691	17,116	-	17,116
393,375	21,491	446,894	-	-	87,508	123,073	1,666,804	(159,044)	1,507,760
11,174,785	273,327	4,561,588	-	-	87,508	472,824	22,212,004	(4,726,175)	17,485,829
-	-	-	-	-	-	-	50,160	(50,160)	-
605,791	-	-	-	-	-	-	1,163,304	-	1,163,304
38,557	-	-	-	-	-	-	210,413	-	210,413
155,255	-	-	-	-	-	-	1,651,298	-	1,651,298
799,603	-	-	-	-	-	-	3,025,015	-	3,025,015
2,110,312	-	-	-	-	-	-	2,535,142	-	2,535,142
1,807,876	-	-	-	-	-	-	1,899,023	-	1,899,023
1,183,814	-	-	-	-	-	-	1,197,290	-	1,197,290
412	-	-	-	-	-	-	412	-	412
90,130	-	-	-	-	-	-	104,175	-	104,175
28,638	-	-	-	-	-	-	32,919	-	32,919
619,777	-	-	-	-	-	-	853,917	-	853,917
5,840,959	-	-	-	-	-	-	6,622,878	-	6,622,878
5,264,813	-	-	-	-	-	-	5,997,168	-	5,997,168
1,312,566	-	-	-	-	-	189	1,412,635	-	1,412,635
4,426,046	-	-	-	-	-	-	5,724,942	-	5,724,942
2,310,661	-	-	-	-	-	3,484	2,667,695	-	2,667,695
13,314,086	-	-	-	-	-	3,673	15,802,440	-	15,802,440
740,415	-	-	-	-	-	-	815,069	-	815,069
740,415	-	-	-	-	-	-	815,069	-	815,069

Public Housing Agency of the City of Saint Paul

Financial Data Schedule
 Combining Schedule of Revenues, Expenses and Change in Net Position - All Programs
 Year Ended March 31, 2023

Line Item No.	Account Descriptions	Project Total	14.170	14.896 PIH	Business Activities	State/Local
			Congregate Housing Service Program	Family Self-Sufficiency Program		
	Insurance premiums:					
96110	Property insurance	\$ 106,342	\$ -	\$ -	\$ 13,597	\$ -
96120	Liability insurance	21,345	-	-	5,624	-
96130	Workmen's compensation	25,577	-	-	47,964	-
96140	All other insurance	6,638	-	-	21,912	-
96100	Total insurance premiums	159,902	-	-	89,097	-
	General expenses:					
96200	Other general expenses	844	-	-	241,768	-
96300	Payments in lieu of taxes	-	-	-	37,302	-
96400	Bad debt, tenant rents	52,178	-	-	-	-
96800	Severance expense	201,063	-	-	10,664	-
96000	Total other general expenses	254,085	-	-	289,734	-
96900	Total operating expenses	4,503,745	2,163,473	-	5,374,261	10,137
97000	Excess of operating revenue over operating expenses	1,426,078	16,473	-	(449,917)	142,699
97100	Extraordinary maintenance	-	-	-	-	-
97200	Casualty losses, non-capitalized	4,398	-	-	-	-
97300	Housing assistance payments	-	-	-	-	150,300
97350	HAP portability-in	-	-	-	-	-
97400	Depreciation expense	668,482	-	-	442,016	-
90000	Total expenses	5,176,625	2,163,473	-	5,816,277	160,437
10010	Operating Transfer In	303,070	-	-	-	-
10020	Operating transfer Out	(303,070)	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 753,198	\$ 16,473	\$ -	\$ (891,933)	\$ (7,601)
11030	Beginning equity	\$ 15,394,102	\$ -	\$ -	\$ 11,941,113	\$ 130,341
	Prior period adjustments, equity transfers and correction of errors	-	-	-	-	-
11040	Administrative fee equity	-	-	-	-	-
11170	Housing assistance payments equity	-	-	-	-	-
11180	Unit months available	5,016	-	-	-	-
11190	Number of unit months leased	4,902	-	-	-	-
11210	Excess cash	922,087	-	-	-	-
11270	Land purchases	-	-	-	-	-
11610	Building purchases	-	-	-	-	-
11620	Replacement housing factor funds	-	-	-	-	-
13901		-	-	-	-	-

14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	Central Office Cost Center (COCC)	Subtotal	Eliminations	Total
\$ 596,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 716,689	\$ -	\$ 716,689
153,667	1,038	18,929	-	-	-	69	200,672	-	200,672
208,889	-	44,660	-	-	-	4,597	331,687	-	331,687
89,087	1,690	27,443	-	-	-	2,262	149,032	-	149,032
<u>1,048,393</u>	<u>2,728</u>	<u>91,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,928</u>	<u>1,398,080</u>	<u>-</u>	<u>1,398,080</u>
460	69,798	601,967	-	-	22,684	-	937,521	-	937,521
763,732	-	-	-	-	-	-	801,034	-	801,034
408,482	-	-	-	-	-	-	460,660	-	460,660
21,428	-	-	-	-	-	168	233,323	-	233,323
<u>1,194,102</u>	<u>69,798</u>	<u>601,967</u>	<u>-</u>	<u>-</u>	<u>22,684</u>	<u>168</u>	<u>2,432,538</u>	<u>-</u>	<u>2,432,538</u>
<u>34,112,343</u>	<u>345,853</u>	<u>5,254,587</u>	<u>-</u>	<u>-</u>	<u>110,192</u>	<u>483,593</u>	<u>52,358,184</u>	<u>(4,776,335)</u>	<u>47,581,849</u>
<u>4,290,544</u>	<u>2,628,017</u>	<u>49,340,737</u>	<u>-</u>	<u>-</u>	<u>1,177,044</u>	<u>99,709</u>	<u>58,671,384</u>	<u>-</u>	<u>58,671,384</u>
-	-	-	-	-	-	-	-	-	-
167,514	-	-	-	-	-	-	171,912	-	171,912
-	2,659,264	44,281,336	-	-	1,440,536	-	48,531,436	-	48,531,436
-	-	4,765,932	-	-	-	-	4,765,932	-	4,765,932
<u>7,927,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,848</u>	<u>9,053,102</u>	<u>-</u>	<u>9,053,102</u>
<u>42,207,613</u>	<u>3,005,117</u>	<u>54,301,855</u>	<u>-</u>	<u>-</u>	<u>1,550,728</u>	<u>498,441</u>	<u>114,880,566</u>	<u>(4,776,335)</u>	<u>110,104,231</u>
-	-	-	-	-	-	-	303,070	-	303,070
-	-	-	-	-	-	-	(303,070)	-	(303,070)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ (3,804,726)</u>	<u>\$ (31,247)</u>	<u>\$ 293,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (263,492)</u>	<u>\$ 84,861</u>	<u>\$ (3,850,998)</u>	<u>\$ -</u>	<u>\$ (3,850,998)</u>
\$ 145,368,136	\$ 376,234	\$ 4,513,163	\$ -	\$ -	\$ 320,749	\$ 1,493,753	\$ 179,537,591	\$ -	\$ 179,537,591
-	-	-	-	-	-	-	-	-	-
-	-	4,123,441	-	-	-	-	4,123,441	-	4,123,441
-	-	-	-	-	-	-	-	-	-
46,032	3,606	56,790	-	-	-	-	111,444	-	111,444
43,614	3,259	51,166	-	-	-	-	102,941	-	102,941
-	-	-	-	-	-	-	922,087	-	922,087
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Balance Sheet - Low Income

March 31, 2023

Line Item No.	Account Description	AMP 1 14.850a	AMP 2 14.850a	AMP 3 14.850a	AMP 4 14.850a	AMP 5 14.850a
Assets						
Current assets:						
Cash:						
111	Cash, unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
114	Cash, tenant security deposits	-	-	-	-	-
100	Total cash	-	-	-	-	-
Accounts and notes receivable:						
122	Accounts receivable, HUD other projects	-	-	-	-	-
126	Accounts receivable, tenants	-	-	-	-	-
120	Total receivables	-	-	-	-	-
Other assets:						
142	Prepaid expenses and other assets	-	-	-	-	-
	Total other assets	-	-	-	-	-
150	Total current assets	-	-	-	-	-
Noncurrent assets:						
Capital assets:						
161	Land	-	-	-	-	-
162	Buildings	-	-	-	-	-
164	Furniture, equipment and machinery, administration	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	-
167	Construction in progress	-	-	-	-	-
160	Total capital assets, net	-	-	-	-	-
200	Deferred outflow of resources	-	-	-	-	-
290	Total assets and deferred outflow of resources	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities and Net Position						
Liabilities:						
Current liabilities:						
321	Accrued wage/payroll taxes payable	\$ -	\$ -	\$ -	\$ -	\$ -
322	Accrued compensated absences, current portion	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-
332	Account payable, PHA projects	-	-	-	-	-
333	Accounts payable, other government	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities, other	-	-	-	-	-
310	Total current liabilities	-	-	-	-	-
Noncurrent liabilities:						
354	Accrued compensated absences, noncurrent	-	-	-	-	-
355	Loan liability, noncurrent	-	-	-	-	-
356	Fasb 5 liabilities	-	-	-	-	-
357	Accrued pension and OPED liabilities	-	-	-	-	-
350	Total noncurrent liabilities	-	-	-	-	-
300	Total liabilities	-	-	-	-	-
400	Deferred inflow of resources	-	-	-	-	-
Net position:						
508.4	Net investment in capital assets	-	-	-	-	-
511.4	Restricted net position	-	-	-	-	-
513	Total net position	-	-	-	-	-
600	Total liabilities and net position	\$ -	\$ -	\$ -	\$ -	\$ -

AMP 6 14.850a	AMP 7 14.850a	AMP 8 14.850a	AMP 9 14.850a	AMP 11 14.850a	AMP 12 14.850a	AMP 13 14.850a	Total
\$ -	\$ -	\$ -	\$ 1,666,958	\$ -	\$ -	\$ -	\$ 1,666,958
-	-	-	107,090	-	-	-	107,090
-	-	-	1,774,048	-	-	-	1,774,048
-	-	-	193,481	-	-	-	193,481
-	-	-	48,177	-	-	-	48,177
-	-	-	241,658	-	-	-	241,658
-	-	-	1,270	-	-	-	1,270
-	-	-	1,270	-	-	-	1,270
-	-	-	2,016,976	-	-	-	2,016,976
-	-	-	6,394,585	-	-	-	6,394,585
-	-	-	39,808,936	-	-	-	39,808,936
-	-	-	96,331	-	-	-	96,331
-	-	-	(33,840,404)	-	-	-	(33,840,404)
-	-	-	2,415,753	-	-	-	2,415,753
-	-	-	14,875,201	-	-	-	14,875,201
-	-	-	17,731	-	-	-	17,731
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,909,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,909,908</u>
\$ -	\$ -	\$ -	\$ 63,929	\$ -	\$ -	\$ -	\$ 63,929
-	-	-	84,560	-	-	-	84,560
-	-	-	11,978	-	-	-	11,978
-	-	-	105,060	-	-	-	105,060
-	-	-	107,090	-	-	-	107,090
-	-	-	62,847	-	-	-	62,847
-	-	-	-	-	-	-	-
-	-	-	58,085	-	-	-	58,085
-	-	-	493,549	-	-	-	493,549
-	-	-	98,063	-	-	-	98,063
-	-	-	-	-	-	-	-
-	-	-	150,240	-	-	-	150,240
-	-	-	248,303	-	-	-	248,303
-	-	-	741,852	-	-	-	741,852
-	-	-	20,756	-	-	-	20,756
-	-	-	14,875,201	-	-	-	14,875,201
-	-	-	1,272,099	-	-	-	1,272,099
-	-	-	16,147,300	-	-	-	16,147,300
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,909,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,909,908</u>

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Net Position - Low Income

Year Ended March 31, 2023

Line Item No.	Account Description	AMP 1 14.850a	AMP 7 14.850a	AMP 8 14.850a
Revenues				
70300	Net tenant rental revenue	\$ -	\$ -	\$ -
70500	Total tenant revenue	-	-	-
70600	HUD PHA operating grants	-	-	-
70610	Capital grants	-	-	-
70800	Other government grants	-	-	-
71100	Investment income, unrestricted	-	-	-
71500	Other revenue	-	-	-
70000	Total revenue	-	-	-
Expenses				
Administrative:				
91100	Administrative salaries	-	-	-
91200	Auditing fees	-	-	-
91300	Management fee	-	-	-
91310	Bookkeeping fee	-	-	-
91400	Advertising and marketing	-	-	-
91500	Employee benefit contributions, administrative	-	-	-
91600	Office expenses	-	-	-
91800	Travel	-	-	-
91900	Other	-	-	-
91000	Total administrative	-	-	-
92000	Asset management fee	-	-	-
Tenant services:				
92100	Tenant services, salaries	-	-	-
92400	Tenant services, other	-	-	-
92500	Total tenant services	-	-	-
Utilities:				
93100	Water	-	-	-
93200	Electricity	-	-	-
93300	Gas	-	-	-
93500	Labor	-	-	-
93700	Employee Benefit Contributions, Utilities	-	-	-
93800	Other utilities expense	-	-	-
93000	Total utilities	-	-	-
Ordinary maintenance and operation:				
94100	Labor	-	-	-
94200	Materials	-	-	-
94300	Contracts	-	-	-
94500	Employee benefit contributions	-	-	-
94000	Total maintenance	-	-	-
Protective services:				
95200	Contracts	-	-	-
95000	Total protective services	-	-	-

AMP 9 14.850a	AMP 11 14.850a	AMP 12 14.850a	AMP 13 14.850a	Total
\$ 2,915,279	\$ -	\$ -	\$ -	\$ 2,915,279
2,915,279	-	-	-	2,915,279
663,815	-	-	-	663,815
2,277,937	-	-	-	2,277,937
-	-	-	-	-
(871)	-	-	-	(871)
73,663	-	-	-	73,663
5,929,823	-	-	-	5,929,823
605,169	-	-	-	605,169
5,346	-	-	-	5,346
482,225	-	-	-	482,225
36,660	-	-	-	36,660
9	-	-	-	9
177,738	-	-	-	177,738
32,142	-	-	-	32,142
-	-	-	-	-
21,161	-	-	-	21,161
1,360,450	-	-	-	1,360,450
50,160	-	-	-	50,160
64,117	-	-	-	64,117
5,462	-	-	-	5,462
69,579	-	-	-	69,579
419,146	-	-	-	419,146
5,578	-	-	-	5,578
13,476	-	-	-	13,476
8,942	-	-	-	8,942
2,635	-	-	-	2,635
21	-	-	-	21
449,798	-	-	-	449,798
714,651	-	-	-	714,651
94,380	-	-	-	94,380
1,028,973	-	-	-	1,028,973
321,555	-	-	-	321,555
2,159,559	-	-	-	2,159,559
212	-	-	-	212
212	-	-	-	212

Public Housing Agency of the City of Saint Paul

Financial Data Schedule

Combining Schedule of Revenues, Expenses and Changes in Net Position - Low Income

Year Ended March 31, 2023

Line Item No.	Account Description	AMP 1 14.850a	AMP 7 14.850a	AMP 8 14.850a
	Insurance premiums:			
96110	Property insurance	\$ -	\$ -	\$ -
96120	Liability insurance	-	-	-
96130	Workmen's compensation	-	-	-
96140	All other insurance	-	-	-
		<hr/>	<hr/>	<hr/>
96100	Total insurance premiums	-	-	-
	General expenses:			
96200	Other general expenses	-	-	-
96400	Bad debt, tenant rents	-	-	-
96800	Severance expense	-	-	-
		<hr/>	<hr/>	<hr/>
96000	Total other general expenses	-	-	-
96900	Total operating expenses	-	-	-
	Excess of operating revenue over operating expenses			
97000		-	-	-
	Casualty losses, noncapitalized	-	-	-
97200		-	-	-
97400	Depreciation expense	-	-	-
		<hr/>	<hr/>	<hr/>
90000	Total expenses	-	-	-
10010	Operating transfer in	-	-	-
10020	Operating transfer out	-	-	-
		<hr/>	<hr/>	<hr/>
10100	Total other financing sources (uses)	-	-	-
	Excess (deficiency) of total revenue over (under) total expenses			
10000		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11030	Beginning equity	\$ -	\$ -	\$ -
11040	Prior period adjustments, equity transfers and correction	-	-	-
11190	Unit months available	-	-	-
11210	Number of unit months leased	-	-	-
11270	Excess cash	-	-	-
11610	Land purchases	-	-	-
11620	Building purchases	-	-	-
11630	Furniture and equipment, administrative purchases	-	-	-

AMP 9 14.850a	AMP 11 14.850a	AMP 12 14.850a	AMP 13 14.850a	Total
\$ 106,342	\$ -	\$ -	\$ -	\$ 106,342
21,345	-	-	-	21,345
25,577	-	-	-	25,577
6,638	-	-	-	6,638
<u>159,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,902</u>
844	-	-	-	844
201,063	-	-	-	201,063
52,178	-	-	-	52,178
<u>254,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,085</u>
4,503,745	-	-	-	4,503,745
<u>1,426,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,426,078</u>
4,398	-	-	-	4,398
668,482	-	-	-	668,482
<u>5,176,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,176,625</u>
303,070	-	-	-	303,070
(303,070)	-	-	-	(303,070)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 753,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 753,198</u>
\$ 15,394,102	\$ -	\$ -	\$ -	\$ 15,394,102
-	-	-	-	-
5,016	-	-	-	5,016
4,902	-	-	-	4,902
922,087	-	-	-	922,087
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Public Housing Agency of the City of Saint PaulSchedule of Expenditures of Federal Awards
Year Ended March 31, 2023

Federal Grantor/Grant Program Title	Federal Assistance Listing Number	Expenditures	Amounts Provided to Subrecipients
U.S. Department of Housing and Urban Development			
Congregate Housing Services Program	14.170	\$ 978,955	\$ -
Public and Indian Housing	14.850a	663,815	-
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	53,972,102	-
COVID-19 - Section 8 Housing Choice Vouchers - Emergency Housing Vouchers	14.871	<u>1,102,027</u>	<u>87,508</u>
Total ALN 14.871		55,074,129	87,508
Mainstream Vouchers	14.879	<u>2,973,870</u>	-
Total Housing Voucher Cluster		58,047,999	87,508
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments Program	14.195	<u>20,227,376</u>	-
Total Section 8 Project-Based Cluster		20,227,376	-
Public Housing Capital Fund	14.872	<u>2,277,937</u>	-
Total federal awards		<u>\$ 82,196,082</u>	<u>\$ 87,508</u>

STATISTICAL SECTION

Public Housing Agency of the City of Saint Paul

Summary of Statistical Section

March 31, 2023

The following tables have been prepared to summarize relevant financial and program data for the Public Housing Agency of the City of Saint Paul.

Revenue Tables

- Table 1 Agency Revenue by Agency/HUD Program
- Table 2 Low Income Public Housing Revenue by HUD Classification
- Table 3 Section 8 Revenue by HUD Classification
- Table 4 Project Based Rental Assistance Revenue by HUD Classification
- Table 5 Minnesota Revenue Recapture Program

Expense Tables

- Table 6 Agency Expenses by HUD Program
- Table 7 Low Income Public Housing Expenses by HUD Classification
- Table 8 Section 8 Expenses by HUD Classification
- Table 9 Project Based Rental Assistance Expenses by HUD Classification
- Table 10 Agency Salary Expense by Department
- Table 11 Low Income Public Housing Collection Write-Offs

Net Position Tables

- Table 12 Agencywide Changes in Net Position
- Table 13 Agencywide Assets, Liabilities and Net Position
- Table 14 Agencywide Net Position by Type
- Table 15 Agencywide Capital Assets

Program Tables

- Table 16 Agencywide Full-Time Equivalent (FTE) by Department
- Table 17 Unit Type Composition
- Table 18 Unit Demographics
- Table 19 Low Income Public Housing and Section 8 Utilization

Debt Service Tables

- Table 20 Schedule of Outstanding Debt by Type

Demographic Information

- Table 21 City of Saint Paul, Minnesota Demographic and Economic Statistics

Unless otherwise indicated, the tables show data for the last 10 fiscal years.

The Revenue, Expense and Net Position Tables display data for all Agency programs. Three major programs, Low Income Public Housing, Section 8 Rental Assistance and Project Based Rental Assistance, are further broken down by HUD classifications for both revenue and expense. HUD's Asset Management model requires the use of fees paid by the "projects" to the Central Office. These fees are omitted from the totals on both the Revenue and Expense Tables. Their net effect is zero, so are not considered to impact the Agency's position as a whole. Two significant expense lines, salaries and collection losses, are further detailed as well.

The Annual Comprehensive Financial Report, as the name implies, is financial in nature. However, it is important to understand some program components to place the financial data in the correct context. The Program Tables are included to give a background on the number of employees, Low Income Public Housing unit information and Low Income, Section 8 and Project Based Rental Assistance utilization.

Public Housing Agency of the City of Saint Paul

Table 1 - Agency Revenue by PHA/HUD Programs
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Section 8 Certs/Mod	\$ 398,497	\$ 394,428	\$ 392,752	\$ 392,968	\$ 408,111	\$ 288,609	\$ -	\$ -	\$ -	\$ -
Section 8 Housing Choice Vouchers	38,615,659	36,474,272	39,962,314	40,380,252	43,010,123	42,845,629	45,788,247	47,488,170	51,764,184	54,595,324
COVID - 19 Section 8 Housing Choice Vouchers	-	-	-	-	-	-	-	3,765,936	46,934	-
Section 8 Mainstream Vouchers	816,256	772,640	871,693	853,183	886,225	875,295	1,311,554	1,940,625	3,132,658	2,973,870
COVID - 19 Mainstream Vouchers	-	-	-	-	-	-	-	102,232	-	-
Emergency Housing Voucher	-	-	-	-	-	-	-	-	789,940	1,287,236
Section 8 Single Room Occupancy	35,694	27,730	23,847	32,981	34,579	20,891	5,640	-	-	-
Shelter Plus Care	92,985	91,048	99,699	85,001	38,712	-	-	-	-	-
PIH Family Self-Sufficiency Program	-	3,524	16,612	32,640	11,509	8,135	10,520	8,480	6,971	-
Families First Housing Pilot	-	-	-	-	-	-	2,223	108,936	161,246	149,147
Rental Assistance Demonstration Project Based Rental Assistance	-	-	-	-	-	-	4,178,363	21,949,994	38,591,479	38,402,887
Low Income Public Housing (includes COCC)	26,845,404	27,495,372	28,911,969	29,108,934	30,268,803	32,175,331	27,910,220	12,308,333	4,047,479	3,666,143
COVID - 19 Low Income Public Housing	-	-	-	-	-	-	-	1,882,161	-	-
Business Activities	837,068	865,623	855,157	837,549	846,226	898,383	901,732	825,259	909,515	1,060,152
CIAP/Comp Grant/Capital Fund (Annual)	7,467,426	7,868,062	8,630,337	8,624,558	4,850,111	8,693,616	18,633,744	11,625,923	1,108,031	2,277,937
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	-	-	-	-
Congregate Housing Program	1,980,664	2,005,386	2,023,069	2,036,479	1,938,326	2,121,614	2,127,693	2,241,314	2,063,405	2,179,946
COVID - 19 Congregate Housing Program	-	-	-	-	-	-	-	13,878	64,154	-
Wilder	14,026	13,568	13,768	11,887	9,144	7,272	7,006	6,432	5,120	3,689
Web Learner Grant	-	-	-	-	-	-	-	-	-	-
Health Improvement Grants	27,981	49,590	79,799	58,437	67,901	68,838	68,637	43,003	-	-
Star Grant	-	-	-	5,000	-	-	-	-	-	-
Public Entity Innovation Grant	-	-	-	16,501	30,132	5,492	-	-	-	-
UMN SNAP-Ed Grant	-	-	-	7,162	7,323	3,133	1,600	-	-	-
Neighborhood Networks	-	-	-	-	-	-	-	-	-	-
Total Agency revenues	\$ 77,131,660	\$ 76,061,243	\$ 81,881,016	\$ 82,483,532	\$ 82,407,224	\$ 88,012,238	\$ 100,947,179	\$ 104,310,676	\$ 102,691,116	\$ 106,596,331

Note 1: Low Rent Housing revenue does not include internal fees

Note 2: Does not include elimination entries

Public Housing Agency of the City of Saint Paul

Table 2 - Low Income Public Housing Revenue by HUD Classification
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dwelling rental	\$ 13,480,391	\$ 14,026,613	\$ 14,985,354	\$ 15,746,838	\$ 16,786,867	\$ 17,522,224	\$ 14,186,480	\$ 2,343,454	\$ 2,733,722	\$ 2,915,279
Excess utilities	81,654	79,710	76,542	77,376	77,796	78,966	57,954	-	-	-
Nondwelling rental	-	-	-	1	52,966	87,692	67,236	-	-	-
Interest income	65,852	30,979	136,352	173,533	203,509	604,723	167,929	7,084	(379)	(871)
Other income	1,627,293	1,134,003	1,153,595	1,109,026	1,078,691	1,110,997	1,071,245	292,262	92,565	73,663
Gain (loss) from disposition of real property	36,699	61,089	35,383	6,684	47,754	31,798	-	-	-	-
HUD subsidy*	12,970,066	12,280,338	12,986,262	12,094,037	12,028,487	13,052,350	25,619,742	20,782,849	1,622,547	663,815
Total low rent public housing revenue	\$ 28,261,955	\$ 27,612,732	\$ 29,373,488	\$ 29,207,495	\$ 30,276,070	\$ 32,488,750	\$ 41,170,586	\$ 23,425,649	\$ 4,448,455	\$ 3,651,886
Avg Units Leased	4,221	4,219	4,223	4,240	4,244	4,234	4,217	414	409	409
Revenue Per Avg. Unit Month	\$ 558.02	\$ 545.36	\$ 579.63	\$ 574.11	\$ 594.56	\$ 639.42	\$ 813.65	\$ 4,718.16	\$ 907.11	\$ 744.98
Subsidy Per Avg. Unit Month	\$ 256.09	\$ 242.54	\$ 256.26	\$ 237.73	\$ 236.21	\$ 256.89	\$ 506.32	\$ 4,185.87	\$ 330.86	\$ 135.42

Note 1: Beginning in FY09 CFP Operating Grant Revenue is included

Note 2: Does not include internal fee revenue

Note 3: FY 20 -21 HUD Subsidy includes funds transferred from CFP and LIPH to RAD-PBRA Projects

Note 4: FY 2022 include only remaining LIPH units (418 total)

Public Housing Agency of the City of Saint Paul

Table 3 - Section 8 Revenue by HUD Classification
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Housing assistance payments	\$ 34,292,187	\$ 32,990,448	\$ 36,014,467	\$ 35,759,138	\$ 37,794,826	\$ 37,855,565	\$ 40,124,038	\$ 41,839,481	\$ 45,884,600	\$ 47,484,793
Port-in housing assistance payments	2,224,295	937,972	1,204,916	1,854,241	2,503,397	1,814,249	2,548,935	2,939,035	3,568,924	4,765,932
Administration fees	2,916,256	3,365,607	3,642,813	3,631,296	3,554,075	3,835,416	3,897,195	4,091,395	4,680,610	5,686,492
Interest on reserves/investments	2,561	15,786	28,061	28,799	27,202	80,273	45,920	7,760	6,950	16,443
Portability-in admin and other revenue	114,629	53,797	78,807	117,879	153,326	136,860	162,812	191,826	212,315	303,196
Fraud Recovery/Other revenue	316,178	305,460	281,542	268,032	306,213	308,061	326,540	359,299	543,443	599,574
Total Section 8 revenue	\$ 39,866,106	\$ 37,669,070	\$ 41,250,606	\$ 41,659,385	\$ 44,339,039	\$ 44,030,424	\$ 47,105,440	\$ 49,428,795	\$ 54,896,841	\$ 58,856,430
ACC authorized monthly unit count	4,589	4,589	4,639	4,656	4,699	4,714	4,809	4,929	5,163	5,222
Average monthly units leased	4,529	4,551	4,623	4,647	4,599	4,686	4,622	4,746	4,757	4,757
Average monthly revenue per unit	\$ 733.53	\$ 689.76	\$ 743.58	\$ 747.07	\$ 803.42	\$ 783.01	\$ 849.30	\$ 867.90	\$ 961.69	\$ 1,031.05

Note 1: Revenue per unit includes portability-in revenues.

Public Housing Agency of the City of Saint Paul

Table 4 - Project Based Rental Assistance Revenue by HUD Classification

	2020	2021	2022	2023
Dwelling rental	\$ 3,828,073	\$ 15,437,825	\$ 16,569,226	\$ 16,806,644
Nondwelling rental	26,080	103,813	108,091	128,832
Interest income	-	(5,149)	(8,086)	(10,015)
Other income	308,207	1,109,748	1,437,081	1,285,297
Gain (loss) from disposition of real property	16,003	52,469	10,508	-
HUD subsidy*		5,251,288	20,495,094	20,192,129
Total project based rental assistance revenue	\$ 4,178,363	\$ 21,949,994	\$ 38,611,914	\$ 38,402,887
Average Unit Months Available	3,836	3,836	3,836	3,836
Revenue Per Avg. Unit Month	\$ 363.08	\$ 476.84	\$ 838.81	\$ 834.27
Subsidy Per Avg. Unit Month	N/A	\$ 114.08	\$ 445.24	\$ 438.65

Note 1: 3,836 units converted from low income public housing effective January 1, 2020

Note 2: FY 20 - 21: RAD Conversion Year. Subsidy transferred from LIPH Program

Note 3: Project Based Rental Assistance Housing Assistance Payments effective January 1, 2021

Public Housing Agency of the City of Saint Paul

Table 5 - Minnesota Revenue Recapture Program
Last Ten Fiscal Years

FY	SECTION 8		PUBLIC HOUSING		RAD-PBRA		TOTAL	
	\$ Amount	# of Recaptures	\$ Amount	# of Recaptures	\$ Amount	# of Recaptures	\$ Amount	# of Recaptures
2014	57,790	91	47,579	99	0	0	105,369	190
2015	63,342	113	71,389	157	0	0	134,731	270
2016	69,118	113	60,138	145	0	0	129,256	258
2017	55,807	89	47,106	123	0	0	102,913	212
2018	70,929	134	54,658	137	0	0	125,587	271
2019	68,698	101	69,875	123	0	0	138,574	224
2020	79,637	125	60,031	115	0	0	139,668	240
2021	69,200	110	92,016	163	2,211	4	163,427	277
2022	40,269	67	46,500	91	7,994	18	94,763	176
2023	118,397	120	29,244	47	33,718	54	181,359	221
TOTALS	\$693,188	1,063	\$578,536	1,200	\$43,923	76	\$1,315,647	2,339

NOTE: The Agency began this program in 1997 to recover bad debts through property and income tax refunds and state lottery winnings.

Note: No revenue recapture activity for RAD-PBRA projects prior to FY 21

Public Housing Agency of the City of Saint Paul

Table 6 - Agency Expenses by HUD Programs
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Section 8 Certs/Mod	\$ 372,156	\$ 368,670	\$ 365,236	\$ 362,444	\$ 376,531	\$ 305,036	\$ -	\$ -	\$ -	\$ -
Section 8 Vouchers	39,264,336	38,445,876	38,969,442	40,586,839	41,845,441	43,628,387	45,583,411	46,104,788	51,295,535	54,329,999
COVID - 19 Section 8 Housing Choice Vouchers	-	-	-	-	-	-	-	3,765,936	46,934	-
Section 8 Disability Vouchers	784,176	798,852	818,235	834,695	869,517	887,600	1,288,556	2,124,490	2,837,422	3,007,608
COVID - 19 Mainstream Vouchers	-	-	-	-	-	-	-	102,232	-	-
Emergency Housing Vouchers	-	-	-	-	-	-	-	-	469,191	1,550,728
Section 8 Single Room Occupancy	33,202	25,243	21,184	30,081	31,616	17,350	2,744	-	-	-
Shelter Plus Care	92,985	91,048	99,699	85,001	38,712	-	-	-	-	-
PIH Family Self-Sufficiency Program	-	3,524	16,612	32,640	11,509	8,135	10,520	8,480	6,971	-
Families First Housing Pilot	-	-	-	-	-	-	1,958	107,545	159,902	152,148
Rental Assistance Demonstration Project Based Rental Assistance	-	-	-	-	-	-	6,130,455	24,396,070	32,326,516	30,584,341
Low Income Public Housing	25,607,360	27,164,037	27,942,380	30,897,995	29,912,998	32,498,797	27,251,065	7,514,727	2,912,248	4,422,691
COVID - 19 Low Income Public Housing	-	-	-	-	-	-	-	1,882,161	-	-
Business Activities	712,094	639,089	678,087	681,840	752,971	820,186	782,416	783,616	4,790,512	5,363,045
CIAP/Comp Grant/Capital Fund	7,467,426	7,868,062	8,630,337	8,624,558	4,850,111	8,693,616	5,650,623	536,903	424,170	2,277,937
Capital Fund Recovery Grant (Competitive)	-	-	-	-	-	-	-	-	-	-
Congregate Housing Program	1,980,664	2,005,386	2,023,069	2,036,479	1,938,326	2,121,614	2,127,693	2,241,314	2,063,405	2,179,946
COVID - 19 Congregate Housing Program	-	-	-	-	-	-	-	13,878	64,154	-
Wilder	-	14,106	13,935	13,896	-	24,123	15,888	-	23,076	8,289
Web Learner Grant	-	-	-	-	-	-	-	-	-	-
Health Improvement Grants	27,984	49,590	79,799	58,437	67,901	68,838	68,637	43,003	-	-
Star Grant	-	-	-	5,000	-	-	-	-	-	-
Public Entity Innovation Grant	-	-	-	16,501	30,132	5,492	-	-	-	-
UMN SNAP-Ed Grant	-	-	-	7,162	7,324	3,133	1,600	-	-	-
Neighborhood Networks	-	-	-	-	-	-	-	-	-	-
Total Agency Expenses	\$ 76,342,383	\$ 77,473,483	\$ 79,658,015	\$ 84,273,568	\$ 80,733,089	\$ 89,082,307	\$ 88,915,566	\$ 89,625,142	\$ 97,420,036	\$ 103,876,732

Note 1: Depreciation expense is not included in the Low Rent, RAD-PBRA and Building Activities Programs.

Note 2: The CIAP/Comp Grant/Capital Fund expense line includes capital expenses

Note 3: Low Rent Housing and RAD-PBRA expenses do not include internal fees

Note 4: Does not include elimination entries

Public Housing Agency of the City of Saint Paul

Table 7 - Low Income Public Housing Expenses by HUD Classification
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrative	\$ 8,889,788	\$ 9,211,945	\$ 9,804,199	\$ 10,270,334	\$ 9,871,616	\$ 11,104,304	\$ 10,231,476	\$ 5,638,992	\$ 1,257,300	\$ 1,314,389
Tenant services	1,321,164	1,164,077	1,176,891	1,372,314	1,218,773	1,209,380	1,150,333	155,840	23,577	68,021
Utilities	5,126,453	4,953,552	4,953,546	5,100,317	5,100,675	5,194,768	3,640,818	536,923	478,268	449,101
Maintenance	8,904,056	8,936,603	9,276,537	10,205,731	9,893,513	10,707,512	8,883,200	738,225	1,406,340	2,179,617
Protective service	573,931	621,649	718,454	756,902	752,334	812,085	602,210	195	-	212
General expense	1,811,412	1,923,547	2,017,749	2,207,629	2,145,807	2,345,809	2,148,072	465,396	389,736	421,083
Nonroutine maintenance	397,107	470,024	456,523	1,083,329	937,546	1,438,358	872,201	7,451	40,887	4,398
Total low rent public housing expenses	\$ 27,023,911	\$ 27,281,397	\$ 28,403,899	\$ 30,996,556	\$ 29,920,264	\$ 32,812,216	\$ 27,528,310	\$ 7,543,022	\$ 3,596,108	\$ 4,436,821
Avg monthly units leased	4,221	4,219	4,223	4,240	4,244	4,234	4,217	414	409	409
Avg monthly expense per unit	\$ 533.57	\$ 538.82	\$ 560.50	\$ 609.28	\$ 587.57	\$ 645.78	\$ 544.04	\$ 1,519.24	\$ 733.30	\$ 905.10

Note 1: Depreciation expense is not included in this table.

Note 2: Does not include internal fees

Note 3: Low Income Public Housing conversion to RAD-PBRA effective January 1, 2020

Public Housing Agency of the City of Saint Paul

Table 8 - Section 8 Expenses by HUD Classification
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrative	\$ 2,874,460	\$ 3,045,398	\$ 2,985,466	\$ 3,008,234	\$ 3,037,962	\$ 3,415,811	\$ 3,451,578	\$ 2,532,003	\$ 4,175,168	\$ 4,922,423
General	338,399	365,653	409,042	489,190	506,610	505,511	619,796	578,683	776,401	788,209
Housing assistance payments	37,241,011	36,227,590	36,779,589	38,316,635	39,578,533	40,917,051	42,803,337	45,118,592	49,697,513	53,147,068
Total Section 8 expenses	\$ 40,453,870	\$ 39,638,641	\$ 40,174,097	\$ 41,814,059	\$ 43,123,105	\$ 44,838,373	\$ 46,874,711	\$ 48,229,278	\$ 54,649,082	\$ 58,857,700
ACC authorized monthly unit count	4,589	4,589	4,639	4,656	4,699	4,714	4,809	4,929	5,163	5,222
Average monthly units leased	4,529	4,551	4,623	4,647	4,599	4,686	4,622	4,746	4,757	4,757
Total expense per unit (Avg)	\$ 744.35	\$ 725.82	\$ 724.17	\$ 749.84	\$ 781.39	\$ 797.38	\$ 845.14	\$ 846.84	\$ 957.35	\$ 1,031.07
Total admin and general expense per unit (Avg)	59.12	62.46	61.19	62.72	64.23	69.73	73.41	54.62	86.74	100.04
Total HAP expense per unit (Avg)	685.23	663.36	662.98	687.12	717.16	727.65	771.73	792.22	870.60	931.03

Note 1: Expense per unit includes portability-in expenses.

Note 2: Includes HCV CARES Act and Emergency Housing Voucher programs.

Note 3: Housing assistance payments include HAP Portability-In.

Public Housing Agency of the City of Saint Paul

Table 9 - Project Based Rental Assistance Expenses by HUD Classification

	2020	2021	2022	2023
Administrative	\$ 1,400,479	\$ 8,853,484	\$ 6,396,965	\$ 7,448,689
Tenant services	287,153	1,267,799	971,427	799,603
Utilities	1,045,226	4,844,280	5,655,458	5,840,959
Maintenance	2,874,581	10,547,305	12,166,823	13,314,086
Protective service	207,465	853,298	760,129	740,415
General expense	351,593	1,883,217	2,193,095	2,242,495
Nonroutine maintenance	(36,042)	83,282	28,866	167,514
Total Project based rental assistance expenses	\$ 6,130,455	\$ 28,332,665	\$ 28,172,763	\$ 30,553,761
Average Units Available	3,836	3,836	3,836	3,836
Avg monthly expense per unit	\$ 532.71	\$ 2,462.00	\$ 2,448.10	\$ 2,655.00

Note 1: Depreciation expense is not included in this table.

Note 2: Does not include internal fees.

Note 3: Low Income Public Housing conversion to RAD-PBRA effective January 1, 2020.

Public Housing Agency of the City of Saint Paul

Table 10 - Agency Salary Expense by Department
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Executive	\$ 179,525	\$ 176,553	\$ 185,654	\$ 184,860	\$ 192,051	\$ 207,300	\$ 215,902	\$ 209,106	\$ 315,016	\$ 336,847
Human Resources	198,587	242,648	264,156	254,152	187,067	181,812	203,187	226,766	245,683	305,280
Section 8	1,615,442	1,724,259	1,692,378	1,695,958	1,729,531	1,780,651	1,980,996	2,222,050	1,720,851	2,137,347
Public Housing Policy	53,119	54,107	55,900	74,837	67,982	345,238	160,374	46,248	72,771	195,566
Equal Opportunity & Diversity	65,280	78,628	20,492	-	-	-	-	-	-	-
Finance	665,377	691,655	655,681	656,975	636,618	622,742	633,777	673,949	904,142	934,128
Budget	-	-	-	-	-	-	-	80,175	163,275	148,567
Maintenance	4,824,361	5,009,269	5,150,203	5,639,954	5,538,820	5,665,497	6,081,485	6,661,677	6,359,284	7,363,418
Resident Services	3,666,153	3,783,116	4,056,918	4,382,074	4,119,572	4,021,966	4,846,908	5,066,388	5,736,681	6,049,824
Resident Initiatives	93,431	125,463	156,400	198,357	195,354	205,446	245,720	230,927	257,307	263,921
Total Agency salary expense	\$ 11,361,275	\$ 11,885,698	\$ 12,237,782	\$ 13,087,167	\$ 12,666,995	\$ 13,030,652	\$ 14,368,350	\$ 15,417,287	\$ 15,775,010	\$ 17,734,899
FTE	228.53	230.73	232.73	228.86	225.38	226.98	235.33	237.63	241.88	245.08
Salary cost per FTE	\$ 49,715	\$ 51,513	\$ 52,584	\$ 57,184	\$ 56,203	\$ 57,409	\$ 61,056	\$ 64,879	\$ 65,218	\$ 72,364

NOTE 1: This table reflects salaries ONLY. It does not include terminal leave benefits, sick or vacation payouts.

NOTE 2: Does not include small grant salaries, or capitalized salaries

NOTE 3: Resident Initiatives department added for FY 14

NOTE 4: Budget department added for FY 21

NOTE 5: CARES Act salaries included for FY 21

Public Housing Agency of the City of Saint Paul

Table 11 - Low Income Public Housing Collection Write-Offs
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dwelling rental	\$ 13,480,391	\$ 14,026,613	\$ 14,985,354	\$ 15,746,838	\$ 16,786,867	\$ 17,522,224	\$ 14,186,480	\$ 2,343,454	\$ 2,733,722	\$ 2,915,279
Excess utilities	81,654	79,710	76,542	77,376	77,796	78,966	57,954	-	-	-
Nondwelling rental	-	-	-	1	52,966	87,692	67,236	-	-	-
TOTAL RENTS CHARGED	\$ 13,562,045	\$ 14,106,323	\$ 15,061,896	\$ 15,824,215	\$ 16,917,629	\$ 17,688,882	\$ 14,311,670	\$ 2,343,454	\$ 2,733,722	\$ 2,915,279
Write-Offs as a % of Rents Charged	0.49%	0.46%	0.44%	0.53%	0.40%	0.33%	1.49%	-0.74%	-0.10%	1.79%
Net Write-Off Amounts	\$ 66,012	\$ 64,277	\$ 65,794	\$ 83,661	\$ 66,891	\$ 57,650	\$ 213,165	\$ (17,338)	\$ (2,704)	\$ 52,178
Write-Offs as a % of Increase/ (Decrease) from Prior Year	-33.21%	-2.63%	2.36%	27.16%	-20.05%	-13.82%	269.76%	-108.13%	-84.40%	2029.66%
Avg Units Leased	4,221	4,219	4,223	4,240	4,244	4,234	4,217	414	409	409
Write-Offs Per Unit Month	\$ 1.30	\$ 1.27	\$ 1.30	\$ 1.64	\$ 1.31	\$ 1.13	\$ 4.21	\$ (3.49)	\$ (0.55)	\$ 10.64

Public Housing Agency of the City of Saint Paul

Table 12 - Agency Wide Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenue										
Tenant Revenue (net of bad debt)	\$ 13,496,033	\$ 14,042,046	\$ 14,996,102	\$ 15,740,553	\$ 16,797,772	\$ 17,543,540	\$ 17,857,137	\$ 17,707,918	\$ 19,144,269	\$ 19,261,263
HUD Operating Grants/Subsidy	51,076,371	49,559,155	53,563,375	52,435,802	54,182,841	55,628,684	70,506,423	78,742,610	74,405,717	75,006,184
Other Revenue	5,778,997	3,935,850	4,278,311	4,872,641	5,648,567	5,037,095	6,119,883	6,613,459	8,283,595	9,230,834
Total Operating Revenue	70,351,401	67,537,051	72,837,788	73,048,996	76,629,180	78,209,319	94,483,443	103,063,987	101,833,581	103,498,281
Operating Expenses										
Administrative	11,469,426	11,957,623	12,539,365	13,032,816	12,686,245	14,280,757	14,888,621	15,119,277	15,755,481	17,485,829
Tenant Services	3,204,371	3,056,761	3,092,814	3,302,917	3,067,666	3,225,356	3,456,218	3,553,626	3,188,906	3,025,015
Housing Assistance Payments	37,333,477	36,317,924	36,878,639	38,401,289	39,617,015	40,917,051	42,803,337	47,395,815	49,855,013	53,297,368
Utilities	5,396,019	5,217,488	5,213,282	5,380,754	5,362,164	5,449,398	4,899,886	5,617,762	6,417,459	6,622,878
Ordinary Maintenance	9,103,872	9,075,779	9,409,338	10,354,080	10,064,762	10,937,603	12,021,330	12,850,487	13,879,272	15,802,440
General Expenses and Other	2,764,230	2,952,845	3,181,491	3,478,101	3,440,088	3,697,226	3,800,801	3,807,527	4,227,471	4,356,939
Extraordinary Maintenance	404,387	492,891	528,432	1,120,494	1,007,631	1,540,254	854,357	90,733	73,418	-
Depreciation Expense	7,918,661	7,774,903	7,895,773	7,951,095	8,035,366	8,399,202	8,876,703	9,324,181	9,302,110	9,053,102
Total Operating Expenses	77,594,443	76,846,214	78,739,134	83,021,546	83,280,937	88,446,847	91,601,253	97,759,408	102,699,130	109,643,571
Operating Gain/(Loss)	(7,243,042)	(9,309,163)	(5,901,346)	(9,972,550)	(6,651,757)	(10,237,528)	2,882,190	5,304,579	(865,549)	(6,145,290)
Nonoperating revenues and capital contributions										
Capital contributions	6,050,875	7,750,702	8,168,818	8,525,997	4,842,844	8,380,197	5,373,378	508,607	683,860	2,277,937
Gain on disposition of capital assets	36,699	61,089	35,383	6,684	47,754	31,798	16,003	52,469	12,903	-
Other, mainly investment income	64,812	60,931	188,338	223,999	242,775	736,459	256,716	4,305	4,488	16,355
Total nonoperating revenues and capital contributions	6,152,386	7,872,722	8,392,539	8,756,680	5,133,373	9,148,454	5,646,097	565,381	701,251	2,294,292
Change in Net Position	(1,090,656)	(1,436,441)	2,491,193	(1,215,870)	(1,518,384)	(1,089,074)	8,528,287	5,869,960	(164,298)	(3,850,998)
Beginning Net Position	169,162,874	168,072,218	166,635,777	169,126,970	167,911,100	166,392,716	165,303,642	173,831,929	179,701,889	179,537,591
Ending Net Position	\$ 168,072,218	\$ 166,635,777	\$ 169,126,970	\$ 167,911,100	\$ 166,392,716	\$ 165,303,642	\$ 173,831,929	\$ 179,701,889	\$ 179,537,591	\$ 175,686,593

Note 1: Elimination entries are included

Note 2: Internal Fees are not included

Public Housing Agency of the City of Saint Paul

Table 13 - Agency Wide Assets, Liabilities and Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets and deferred outflows	\$ 176,805,395	\$ 177,522,221	\$ 182,008,652	\$ 180,123,844	\$ 180,718,284	\$ 182,026,875	\$ 192,752,732	\$ 199,047,360	\$ 202,834,961	\$ 215,880,421
Liabilities and deferred inflows	8,733,177	10,886,445	12,881,682	12,179,602	14,325,568	16,723,233	18,920,803	19,345,471	23,297,370	40,193,826
Net Position	\$ 168,072,218	\$ 166,635,776	\$ 169,126,970	\$ 167,944,242	\$ 166,392,716	\$ 165,303,642	\$ 173,831,929	\$ 179,701,889	\$ 179,537,591	\$ 175,686,593

AGENCY WIDE increase/ (decrease) as a % of prior year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets and deferred outflows	-0.40%	0.41%	2.53%	-1.04%	0.33%	0.72%	5.89%	3.27%	1.90%	6.43%
Liabilities and deferred inflows	4.62%	24.66%	18.33%	-5.45%	17.62%	16.74%	13.14%	2.24%	20.43%	72.53%
Net Position	-0.64%	-0.85%	1.49%	-0.70%	-0.92%	-0.65%	5.16%	3.38%	-0.09%	-2.14%

Note 1: Elimination entries are included

Public Housing Agency of the City of Saint Paul

Table 14 - Agency Wide Net Position by Type
Last Ten Fiscal Years

	Net Investments	Restricted	Unrestricted	
2014	\$ 144,190,887	\$ 19,857,252	\$ 4,024,078	\$ 168,072,217
2015	143,674,767	18,918,156	4,042,853	166,635,776
2016	143,848,275	20,253,949	5,024,746	169,126,970
2017	145,611,784	17,122,869	5,176,447	167,911,100
2018	141,674,022	19,103,282	5,615,412	166,392,716
2019	142,152,584	14,841,116	8,309,942	165,303,642
2020	142,898,237	259,210	30,674,482	173,831,929
2021	145,823,007	8,964,892	24,913,990	179,701,889
2022	138,776,584	11,507,939	29,253,068	179,537,591
2023	131,996,950	13,586,953	30,102,690	175,686,593

Note 1: Elimination entries are included

Note 2: Low Income Public Housing converted to Project Based Rental Assistance in FY 20. Converted Restricted Net Position to Unrestricted Net Position

Public Housing Agency of the City of Saint Paul

Table 15 - Agency Wide Capital Assets
Last Ten Fiscal Years

LOW RENT capital assets	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements	\$ 32,946,382	\$ 33,046,509	\$ 33,414,910	\$ 33,580,751	\$ 33,673,088	\$ 34,142,313	\$ 6,374,089	\$ 6,374,089	\$ 6,394,585	\$ 6,394,584
Buildings	284,001,305	289,735,878	295,948,228	302,679,898	309,532,411	330,762,354	38,707,369	38,707,369	39,808,936	39,808,936
Furniture, equipment and machinery	2,348,791	2,491,647	2,423,599	2,366,511	2,570,278	2,618,327	1,146,774	1,179,707	96,331	96,331
Accumulated depreciation	(194,470,049)	(201,740,402)	(208,954,879)	(216,334,791)	(223,841,185)	(231,712,439)	(31,685,938)	(33,435,896)	(33,723,688)	(33,840,403)
Low Rent total capital assets, net	\$ 124,826,429	\$ 123,533,632	\$ 122,831,858	\$ 122,292,369	\$ 121,934,592	\$ 135,810,555	\$ 14,542,294	\$ 12,825,270	\$ 12,576,164	\$ 12,459,448

LOW RENT increase/(decrease) as a % of prior year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements	0.48%	0.30%	1.11%	0.50%	0.27%	1.39%	-81.33%	0.00%	0.32%	0.00%
Buildings	3.53%	2.02%	2.14%	2.27%	2.26%	6.86%	-88.30%	0.00%	2.85%	0.00%
Furniture, equipment and machinery	4.51%	6.08%	-2.73%	-2.36%	8.61%	1.87%	-56.20%	2.87%	-91.83%	0.00%
Accumulated depreciation	3.94%	3.74%	3.58%	3.53%	3.47%	3.52%	-86.33%	5.52%	0.86%	0.35%
	2.09%	-1.04%	-0.57%	-0.44%	-0.29%	11.38%	-89.29%	-11.81%	-1.94%	-0.93%

PBRA capital assets	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,253,525	\$ 28,699,914	\$ 28,712,139	\$ 28,782,140
Buildings	-	-	-	-	-	-	304,808,542	315,781,027	320,996,771	323,167,354
Furniture, equipment and machinery	-	-	-	-	-	-	1,712,064	1,841,911	1,858,696	1,915,562
Accumulated depreciation	-	-	-	-	-	-	(207,507,337)	(215,411,368)	(223,451,756)	(231,379,512)
Low Rent total capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,266,794	\$ 130,911,485	\$ 128,115,850	\$ 122,485,544

PBRA increase/(decrease) as a % of prior year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements							100.00%	1.58%	0.04%	0.24%
Buildings							100.00%	3.60%	1.65%	0.68%
Furniture, equipment and machinery							100.00%	7.58%	0.91%	3.06%
Accumulated depreciation							100.00%	3.81%	3.73%	3.55%
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	2.86%	-2.14%	-4.39%

BUSINESS ACTIVITY capital assets	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071	\$ 1,863,071
Buildings	12,980,898	12,982,773	13,033,616	13,033,616	13,033,616	13,033,616	13,033,616	13,050,808	13,050,808	13,296,176
Furniture, equipment and machinery	91,095	91,095	83,025	91,095	83,025	83,025	83,025	83,025	83,025	83,025
Accumulated depreciation	(4,597,247)	(5,036,179)	(5,467,919)	(5,908,577)	(6,347,584)	(6,784,938)	(7,222,291)	(7,659,925)	(8,097,858)	(8,539,875)
Business Activities total capital assets, net	\$ 10,337,817	\$ 9,900,760	\$ 9,511,793	\$ 9,071,135	\$ 8,632,128	\$ 8,194,774	\$ 7,757,421	\$ 7,336,979	\$ 6,899,046	\$ 6,702,397

BUSINESS ACTIVITY increase/ (decrease) as a % of prior year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land and land improvements	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Buildings	0.03%	0.01%	0.39%	0.00%	0.00%	0.00%	0.00%	0.13%	0.00%	1.88%
Furniture, equipment and machinery	9.98%	0.00%	-8.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accumulated depreciation	10.60%	9.55%	8.57%	8.06%	7.43%	6.89%	6.45%	6.06%	5.72%	5.46%
	-3.98%	-4.23%	-3.93%	-4.63%	-4.84%	-5.07%	-5.34%	-5.42%	-5.97%	-2.85%

NOTE 1: LOW RENT/PBRA - FY 20 Transfer of capital assets from Low Rent Program to Project Based Rental Assistance

Public Housing Agency of the City of Saint Paul

Table 16 - Agency Full Time Equivalent (FTE) by Department
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Executive	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.00
Human Resources	3.00	4.00	4.25	3.50	3.50	3.00	3.00	3.50	3.50	4.50
Section 8	22.00	22.00	22.00	22.00	22.00	21.00	23.00	24.00	26.00	27.00
Public Housing Policy	1.00	1.00	1.00	1.00	1.00	5.10	5.95	0.50	0.50	1.50
Equal Opportunity & Diversity	0.75	0.75	1.00	1.00	-	-	-	-	-	-
Finance	16.00	16.00	16.00	13.75	14.00	13.00	13.00	12.00	12.00	13.00
Budget	-	-	-	-	-	-	-	1.00	1.00	1.00
Maintenance	97.80	99.00	99.00	98.00	98.00	99.00	101.00	100.00	100.00	100.00
Resident Services	83.48	83.48	84.98	84.61	81.88	80.88	82.63	89.63	91.63	91.83
Resident Initiatives	1.50	1.50	1.50	2.00	2.00	2.00	2.75	3.00	3.25	3.25
Total Agency FTE	228.53	230.73	232.73	228.86	225.38	226.98	235.33	237.63	241.88	245.08

Note 1: Resident Initiatives department added in FY 14

Note 2: Equal Opportunity & Diversity Department dissolved in FY 18

Note 3: Budget Department added in FY 21

Public Housing Agency of the City of Saint Paul

Table 17 - Unit Type Composition
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Family	1,705	1,708	1,708	1,720	1,720	1,720	1,720	1,720	1,720	1,720
Hi-rise	2,554	2,554	2,554	2,554	2,554	2,553	2,553	2,553	2,553	2,553
Total units	4,259	4,262	4,262	4,274	4,274	4,273	4,273	4,273	4,273	4,273

Public Housing Agency of the City of Saint Paul

Table 18 - Unit Demographics
March 31, 2023

Unit Inventory	Units
Major family developments:	
McDonough Homes	592
Roosevelt Homes	320
Mt. Airy Homes	302
Dunedin Homes	88
Major hi-rise developments:	
Mt. Airy	153
Central	144
Valley	158
Neill	104
Dunedin	143
Cleveland	144
Iowa	148
Wilson	187
Front	151
Ravoux	220
Wabasha	71
Montreal	185
Exchange	194
Edgerton	221
Hamline	186
Seal	144
Scattered family units	418
Total units	4,273
PHA units by bedroom size:	
0 bedrooms	124
1 bedrooms	2,459
2 bedrooms	595
3 bedrooms	716
4 bedrooms	268
5 bedrooms	106
6 bedrooms	5
Total units	4,273

Public Housing Agency of the City of Saint Paul

Table 19 - Low Income Public Housing and Section 8 Utilization
Last Ten Fiscal Years

FY	PUBLIC HOUSING			SECTION 8		
	Average Monthly Units Available	Avg Monthly Vacancies	Avg Monthly Utilization Rate	HUD Authorized Average Monthly Units	Avg Monthly Vouchers Utilized	Avg Monthly Utilization Rate
2014	4,232	27	99.4%	4,589	4,529	98.7%
2015	4,238	24	99.4%	4,589	4,551	99.2%
2016	4,240	22	99.5%	4,639	4,623	99.7%
2017	4,246	29	99.3%	4,656	4,647	99.8%
2018	4,252	22	99.5%	4,699	4,599	97.9%
2019	4,252	21	99.5%	4,714	4,686	99.4%
2020	3,309	28	99.2%	4,809	4,622	96.1%
2021	418	5	98.8%	4,929	4,746	96.3%
2022	418	7	98.3%	5,163	4,757	92.1%
2023	418	10	97.6%	5,222	4,757	91.1%
10 YR AVG	3,002	19	99.4%	4,801	4,652	96.9%

Note 1: FY 20 - 3,836 Public Housing units converted to Project Based Rental Assistance effective January 1, 2020

Public Housing Agency of the City of Saint Paul

Table 20 - Schedule of Outstanding Debt
Last Ten Fiscal Years

Debt	Date of Issue	Type of Debt	Amount	Units	Per Unit	Outstanding Balance 3/31/2023	Final Year of Payment
MHFA Loan - Roosevelt	07/15/2014	Non-Forgivable	\$ 540,000	6	\$ 90,000	\$ 540,000	2044
MHFA Loan - Mt Airy	12/07/2015	Non-Forgivable	360,000	4	90,000	360,000	2045
MHFA Loan - McDonough	05/16/2017	Non-Forgivable	1,080,000	12	90,000	1,080,000	2047
MHFA Loan - Dunedin	07/15/2014	Forgivable	825,000	36	22,917	825,000	2034
MHFA Loan - Dunedin	03/22/2016	Forgivable	1,200,000	20	60,000	1,200,000	2036
FHLBDM - Valley	02/09/2018	Forgivable	500,000	159	3,145	500,000	2033
FHLBDM - Montreal	12/21/2018	Forgivable	750,000	185	4,054	750,000	2034
MHFA Loan - Dunedin	03/19/2020	Forgivable	1,000,000	32	31,250	1,000,000	2040
FHLBDM - Dunedin	09/29/2021	Forgiveable	607,425	143	4,248	607,425	2036
FHLBDM - Exchange	10/08/2021	Forgiveable	690,070	194	3,557	690,070	2036
FHLBDM - Neill	11/10/2021	Forgiveable	750,000	104	7,212	750,000	2036
FHLBDM - Central	11/10/2021	Forgiveable	648,760	144	4,505	648,760	2036
FHLBDM - Front	01/20/2022	Forgiveable	1,000,000	151	6,623	1,000,000	2037
FHLBDM - Cleveland	05/20/2022	Forgiveable	624,894	144	4,340	624,894	2038
MHFA Loan - Wabasha	02/07/2023	Forgiveable	781,293	71	11,004	781,293	2043
MHFA Loan - Front	04/07/2024	Forgiveable	712,841	151	4,721	712,841	2044
TOTAL			\$ 12,070,283	1556	\$ 7,757	\$ 12,070,283	

Fiscal Year Ended	Non-Forgivable	%	Forgivable	%	Total
03/31/2015	\$ 540,000	39.56%	\$ 825,000	60.44%	\$ 1,365,000
03/31/2016	900,000	30.77%	2,025,000	69.23%	2,925,000
03/31/2017	900,000	30.77%	2,025,000	69.23%	2,925,000
03/31/2018	1,980,000	43.95%	2,525,000	56.05%	4,505,000
03/31/2019	1,980,000	37.68%	3,275,000	62.32%	5,255,000
03/31/2020	1,980,000	31.65%	4,275,000	68.35%	6,255,000
03/31/2021	1,980,000	31.65%	4,275,000	68.35%	6,255,000
03/31/2022	1,980,000	19.90%	7,971,255	80.10%	9,951,255
03/31/2023	1,980,000	16.40%	10,090,283	83.60%	12,070,283

The Agency incurred no debt prior to July 2014.

Public Housing Agency of the City of Saint Paul

Table 21 - City of Saint Paul, Minnesota Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population *	Per Capita Personal Income	Personal Income **	Labor Force ***	Unemployment Rate ***
2012	289,270	\$ 25,072	\$ 7,165,005,800	150,515	6.0%
2013	294,873	25,695	7,636,250,500	151,967	5.1%
2014	297,640	26,268	7,818,407,520	152,612	4.2%
2015	300,353	25,611	7,692,209,635	153,855	3.7%
2016	304,442	26,054	7,931,854,576	153,035	3.5%
2017	309,180	26,896	8,315,693,459	153,216	2.8%
2018	313,010	28,535	8,931,740,350	159,675	2.8%
2019	315,925	30,036	9,489,123,300	160,222	2.9%
2020	311,527	31,242	9,732,726,534	154,532	5.0%
2021	312,040	32,779	10,228,359,160	155,354	4.2%

Data from City of Saint Paul, Minnesota 2021 Annual Comprehensive Financial Report (Table 17); FY 2022 ACFR not available on City's website.

* 2013-2015 and 2020-2021 data is based on U.S. Census Bureau information. 2012, 2016-2018, and 2019 data is based on Metropolitan Council estimates

** 2011-2015 and 2018 - 2020 data provided by U.S. Census Bureau's Annual American Community Survey. 2016-2017 data is provided by Minnesota Department of Employment and Economic Development (DEED)

*** Annual average - not seasonally adjusted. Data provided by Minnesota DEED.

Public Housing Agency of the City of Saint Paul

Report on Federal Awards

March 31, 2023

Public Housing Agency of the City of Saint Paul

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**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* and
Minnesota Legal Compliance**

Independent Auditors' Report

To the Board of Commissioners of
Public Housing Agency of the City of Saint Paul

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 (*Government Auditing Standards*), the financial statements of the Public Housing Agency of the City of Saint Paul (the Agency), which comprise the Agency's statement of financial position as of March 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 financial statements. 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*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the provisions of the contracting-bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Eau Claire, Wisconsin
September 1, 2023

**Report on Compliance
for the Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Commissioners of
Public Housing Agency of the City of Saint Paul

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Public Housing Agency of the City of Saint Paul's (the Agency) 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 the Agency's major federal program for the year ended March 31, 2023. The Agency's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency 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 the major federal program. Our audit does not provide a legal determination of the Agency'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 the Agency's federal programs.

Auditors' 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 the Agency'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 the Agency's compliance with the requirements of the 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 the Agency'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 the Agency'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 the Agency'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 Auditors' 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Agency as of and for the year ended March 31, 2023, and have issued our report thereon dated September 1, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Eau Claire, Wisconsin
September 1, 2023

Public Housing Agency of the City of Saint PaulSchedule of Expenditures of Federal Awards
Year Ended March 31, 2023

<u>Federal Grantor/Grant Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
U.S. Department of Housing and Urban Development			
Congregate Housing Services Program	14.170	\$ 978,955	\$ -
Public and Indian Housing	14.850a	663,815	-
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	53,972,102	-
COVID-19 - Section 8 Housing Choice Vouchers - Emergency Housing Vouchers	14.871	<u>1,102,027</u>	<u>87,508</u>
Total ALN 14.871		55,074,129	87,508
Mainstream Vouchers	14.879	<u>2,973,870</u>	-
Total Housing Voucher Cluster		58,047,999	87,508
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments Program	14.195	<u>20,227,376</u>	-
Total Section 8 Project-Based Cluster		20,227,376	-
Public Housing Capital Fund	14.872	<u>2,277,937</u>	-
Total federal awards		<u>\$ 82,196,082</u>	<u>\$ 87,508</u>

See notes to schedule of expenditures of federal awards

Public Housing Agency of the City of Saint Paul

Notes to Schedule of Expenditures of Federal Awards
Year Ended March 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Public Housing Agency of the City of Saint Paul (the Agency) 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 Agency, it is not intended to and does not present the financial position, changes in net position or cash flow of the Agency.

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.

3. Indirect Cost Rate

The Agency has not elected to use the 10% de minimis indirect cost rate.

Public Housing Agency of the City of Saint Paul

Schedule of Findings and Questioned Costs
Year Ended March 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over the major federal program:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Type of auditors' report issued on compliance for the major federal program: 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 program:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.195	Section 8 Project-Based Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$2,465,882

Auditee qualified as low-risk auditee? X yes no

Public Housing Agency of the City of Saint Paul

Schedule of Findings and Questioned Costs
Year Ended March 31, 2023

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Minnesota Legal Compliance Findings and Questioned Costs

None.



Reporting and insights from 2023 audit:

Public Housing Agency of the
City of Saint Paul

March 31, 2023

Executive summary

September 1, 2023

To the Board of Commissioners
Public Housing Agency of the City of Saint Paul
555 Wabasha Street N., Suite 400
St. Paul, Minnesota 55102

We have completed our audit of the financial statements of Public Housing Agency of the City of Saint Paul (the Agency) for the year ended March 31, 2023, and have issued our report thereon dated September 1, 2023. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Agency's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

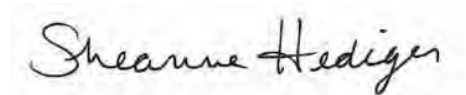
Additionally, we have included information on key risk areas the Agency should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Sheanne Hediger Partner: sheanne.hediger@bakertilly.com or +1 (612) 876 4599
- Katie Sam, Manager: katie.sam@bakertilly.com or +1 (612) 876 4580

Sincerely,

Baker Tilly US, LLP



Sheanne Hediger, CPA

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Agency's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) about the entity's compliance with requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs.
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Agency's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Agency and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Agency's current year results.

Implementation of GASB No. 87 Leases

During the current year, the Agency implemented GASB Statement No. 87 – *Leases*. This standard was issued to provide a single model for lease accounting. The Agency had to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard resulted in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on nonfinancial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	OPEB liabilities	Long-term debt
Capital assets	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. As described in Note 1, the Agency changed accounting policies related to leases by adopting GASB No. 87, *Leases*, in 2023. We noted no transactions entered into by the Agency during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Cost allocations	Management uses a percentage based on all relevant information available to them	Reasonable in relation to the financial statements as a whole
Total OPEB liability	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Agency or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. Point 9 in the enclosed management representation letter describes the uncorrected misstatements that we presented to management, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures. None of the corrected misstatements are considered to be material to the financial statements. In our judgment, neither the uncorrected misstatements nor the misstatements management corrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the Agency's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

The Agency's audited financial statements will be included in the Annual Comprehensive Financial Report. Our responsibility for this information does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. We have read the Annual Comprehensive Financial Report to determine whether a material inconsistency exists between the other information and the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, in the financial statements.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

We will issue a separate document which contains the results of our audit procedures to comply with the Uniform Guidance.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Agency's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Agency that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Agency's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Proposal of adjusting journal entries
- Preparation of Part II of the Data Collection Form

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Governing body resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter



Baker Tilly US, LLP

3410 Oakwood Mall Dr, Suite 200
Eau Claire, WI 54701

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Public Housing Agency of the City of Saint Paul as of March 31, 2023 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, basic financial statements of the Public Housing Agency of the City of Saint Paul in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 9) We believe the effects of the uncorrected financial statement misstatements listed here are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. The Agency had an uncorrected misstatement of \$164,000 related to the calculation of accrued salaries. With the impact of the prior year uncorrected financial statement misstatements, operating expenses are overstated by \$90,537 for the 2023 fiscal year. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
- 10) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 11) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 16) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

Other

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

23) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation

b) Adjusting journal entries

c) Preparation of auditee sections of the data collection form

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 24) The Public Housing Agency of the City of Saint Paul has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The Public Housing Agency of the City of Saint Paul has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) The financial statements properly classify all funds and activities.
- 27) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 28) The Public Housing Agency of the City of Saint Paul has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 29) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 30) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 31) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 32) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 33) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 34) We have appropriately disclosed the Public Housing Agency of the City of Saint Paul's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.

- 35) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 36) With respect to the supplementary information, (SI):
- a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 37) We assume responsibility for, and agree with, the findings of specialists in evaluating the other postemployment benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 38) We have implemented GASB Statement No. 87, *Leases*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 39) We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 40) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 41) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. Our annual report is comprised of the annual comprehensive financial report. We have provided you with the final version of the annual report. There are no material inconsistencies between the financial statements and any other information contained within the annual report.

42) With respect to federal award programs:


- a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
- b) We acknowledge our responsibility for preparing and presenting the SEFA and related disclosures in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are administering our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the OMB Compliance Supplement relating to federal awards and have identified and disclosed to you all amounts questioned and any known compliance with the direct and material compliance requirements of federal awards..
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation agreements, and internal or external monitoring that directly relate to the objectives of the compliance audit, if any, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
 - r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have charged costs to federal awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 43) We are responsible for the electronic submission of required annual financial data to HUD's Real Estate Assessment Center (REAC) and for ensuring that it is complete, accurate, and timely filed, in accordance with our regulatory and contractual obligations to HUD.

44) We have disclosed to you all information of which we are aware that may affect the completeness and accuracy of the electronic submission, and we have disclosed to you all communications from regulatory agencies affecting the electronic submission.

Sincerely,

Public Housing Agency of the City of Saint Paul

Signed: 
Jon M. Gutzmann, Executive Director

Signed: 
William Wallo, Chief Financial Officer

Dated: September 1, 2023

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance, and the *State Single Audit Guidelines*, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Agency will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We generally complete planning and preliminary audit work late May. Our final audit work is scheduled in June to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial and single audit procedures at our office and will issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 8-10 weeks after final fieldwork, but may vary depending on a number of factors.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Public Housing and Housing Choice
Voucher Programs Admissions and
Occupancy Policy Updates; HOTMA

DATE September 27, 2023

Staff recommends Board approval of Resolution No. 23-09/27-01 and Resolution No. 23-09/27-02, revising the Admissions and Occupancy Policies (AOPs) for the Low-Income Public Housing and Housing Choice Voucher (HCV/Section 8) Programs as follows in order to comply with the Housing Opportunities Through Modernization Act (HOTMA):

1. Revising the definitions of “family”, “income” and “assets” (including updated income and asset exclusions), to align with HUD changes;
2. Adding an updated explanation of how income is calculated at annual re-examination, clarifying that the household income from the prior year will be used;
3. Permitting the use of income verifications from other means-tested programs (Safe Harbor verifications);
4. Raising the threshold for imputing income from assets from \$5,000 to \$50,000;
5. Allowing applicants and residents to self-certify the value of assets under \$50,000, with third-party verification required only once every three years;
6. Establishing an asset limitation of \$100,000, and restricting admission and occupancy for households that own real property that is suitable for them to occupy;
7. Changing the threshold for interim increases in rent from \$1,000 per month (Public Housing) or \$2,000 per month (HCV) to a 10% increase interim threshold, with no interim increase for earned income except in special circumstances;
8. Implementing a 10% threshold for interim decreases in rent in the HCV program;
9. Establishing a policy to not conduct interim reexaminations if a household reports an increase in income within three months of their next annual reexamination effective date;

10. Changing the effective date of interim decreases to the first of the month after the date of the change if reported timely (this is a change for the HCV program only as it is current policy in Public Housing);
11. Establishing a policy to address de minimis errors in income calculations;
12. Updating the elderly and disabled deduction, adopting a new threshold for health and medical expenses and indexing both the elderly and disabled deduction and the dependent deduction to inflation;
13. Adopting hardship exemptions for certain households affected by the increased threshold for the health and medical expense deductions and for households no longer eligible for the childcare deduction;
14. Adopting changes to the Earned-Income Disregard, which is eliminated by HOTMA. Families currently participating in EID can still benefit from the program for the next two years.

All policy changes recommended in this report are required in order to be compliant with HUD rules. If approved, the policy revisions would become effective January 1, 2024, provided the required HUD and PHA-software changes required to support HOTMA policy changes are in place at that time. Attached are “tracked changes” copies of parts 1, 3 and 6 of the AOPs for both programs showing the changes relating to HOTMA, with deletions interlined and new text underlined. A “clean copy” of each AOP is also attached.

In February 2023 HUD issued a final rule implementing Sections 102, 103 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Staff brought changes related to Section 103 (related to over-income households and only applicable to the Public Housing program) to the Board in April 2023. Sections 102 and 104 change various requirements related to income reviews and establish a new asset limitation. These changes apply to the Public Housing, Housing Choice Voucher (HCV), and Multifamily Housing programs. HUD originally announced

that the effective date would be January 1, 2024 for all three programs; however, HUD later pushed back the compliance deadline for Public Housing and HCV to January 1, 2025. Despite this compliance delay, PHAs are still required to complete all policy revisions, including any local notice or approval processes, by January 1, 2024. HUD did not delay the compliance deadline for Multifamily housing, so those policy changes were approved at the August 23, 2023 Board meeting.

Though HUD has stated that they will issue further implementation guidance for HOTMA Sections 102, 103 and 104 in the spring or summer of 2023, no such guidance has been issued at this time. Once the guidance is issued, further changes to PHA policies or adjustments to the changes proposed in this report may be required.

Revised Definitions. HOTMA contains updated definitions of family, income and assets, as well as updated lists of exclusions from income and assets. Staff have incorporated these new definitions and exclusions into the updated AOPs. The changes do not substantially change PHA operations.

Revised Income Calculation. Current and past HUD guidance require that PHAs project current income forward when calculating annual household income for determining rent; this is still the case for new admissions and interim recertifications. In contrast, HOTMA requires PHAs to determine the family's actual income for the previous 12-month period and use this amount to determine rent for the year ahead when completing annual recertifications. In determining household income for the previous 12-month period, the PHA must take into consideration any redetermination of income during the past year resulting from an interim reexamination of family income, and must account for any income changes not “picked up” in a redetermination of income

(for example, increases in income that did not meet the threshold for an interim, or that were due to earned income).

Safe Harbor Income Determinations. HOTMA allows PHAs to use income calculations from other means-tested public assistance programs to determine a household's gross income. HUD refers to these as "Safe Harbor" income determinations. Staff are recommending adopting a policy of accepting Safe Harbor verifications both at admission and recertification.

Asset Limitation and Threshold for Annual Verification. Currently there is no asset limitation in the Public Housing or HCV programs, and all assets over \$5,000 and income generated by the assets must be verified annually. The HOTMA final rule establishes a maximum asset limit of \$100,000; a family is not eligible to receive assistance if they either own more assets or own real property that is suitable for them to occupy as a residence. PHAs must not admit households with assets exceeding the limit, and must terminate assistance to households found to have assets in excess of the limitation during occupancy. Staff are recommending delaying the termination for up to 6 months, as permitted by the HOTMA final rule.

HOTMA also increased the threshold for imputing income from assets from \$5,000 to \$50,000. Current policy is that if net family assets are more than \$5,000, annual income includes the greater of the actual income from the asset or a percentage of the value of family assets based on the current passbook savings rate, referred to as imputed income from assets. Going forward, actual income from assets will still be counted, and staff will only impute income from assets if the net family assets exceed \$50,000 and the actual income is not available. In addition, HUD currently permits applicants and residents to self-certify the value and income from assets if the net family

assets are under \$5,000, with third-party verification required only once every three years.

HOTMA increases the threshold for self-certification to \$50,000.

Interim Threshold Change. Current procedure is that interim recertifications must be completed for households whose income has increased by \$1,000 or more per month in the Public Housing program or \$2,000 or more per month in the HCV program, regardless of the source of income. HOTMA requires PHAs to change the threshold for completing interim increases to a cumulative 10% increase in income, but income increases due to higher earnings do not trigger an interim recertification. The only exceptions are that an interim recertification will be conducted for an increase in earned income if the family previously reported a decrease in household income after their last annual recertification, or if the household was at zero income when the change occurred. HOTMA also permits but does not require PHAs to adopt the same 10% threshold for completing an interim recertification due to a decrease in income. Staff are recommending adopting the 10% threshold for interims due to decreased income in the HCV program. Staff believe that this will alleviate some of the administrative burden posed by the new timeline for processing interims in the HCV program explained below. However, for the Public Housing program (as well as Multifamily) staff are recommending keeping the current policy of processing interim recertifications for all decreases in income, regardless of amount.

Interims Within Three Months of Annual Recertification. HOTMA permits PHAs to not conduct interim reexaminations if a household reports an increase in income within three months of their next annual reexamination effective date. Staff are recommending adopting this policy. Increases reported during this period will instead factor into the annual recertification.

Effective Date of Interim Recertifications. Currently, in the HCV program interim recertifications due to decreased income are effective 30 days after the date the change is reported and interims due to increased income are effective 60 days after the date the change occurred. In the Public Housing program interim recertifications due to decreased income are effective 30 days after the date the change is reported and interims due to increased income are effective 30 days after the date the change occurred. HOTMA requires that if the tenant complies with the interim reporting requirements, the PHA must give the tenant 30 days advance notice of any rent increase, and the rent increase will be effective the first of the month after the end of the 30-day period. If the tenant has complied with the interim reporting requirement and the tenant's rent will decrease, the change in rent is effective on the first day of the month after the date of action that caused the interim certification, for example the first of the month after the date of loss of employment.

If the tenant does not comply with the interim reporting requirements, and the PHA discovers the tenant has failed to report changes as required, HOTMA requires the PHA to initiate an interim reexamination and implement rent changes as follows: if the change results in a rent increase it is retroactive to the first of the month following the date that the action occurred, and if the change results in a rent decrease it must be implemented no later than the first of the month following completion of the reexamination. These changes will be implemented in the HCV program, and they align with current policy in the Public Housing program.

De Minimis Errors. De minimis errors—when the PHA's determination of family income varies from the correct income determination by no more than \$30 in monthly adjusted income—are no longer considered a compliance issue after HOTMA, however the PHA is required to fix errors after becoming aware of them by correcting the certification. When a de minimis error results in

the family being overcharged, the PHA must credit or refund the household regardless of the amount. If the error results in the family being undercharged, the family is not required to repay the PHA. In those circumstances the PHA will ensure that the household's account is credited to offset any charges resulting from the correct certification.

Deduction Updates. Deductions are subtractions from a household's gross annual income, yielding "adjusted annual income" that is the basis for determining the household's payment for rent and utilities (TTP; Total Tenant Payment). HOTMA increased the standard deduction from \$400 to \$525 for households where the head, spouse or co-head is elderly or disabled. HOTMA kept the annual deduction for dependents at \$480, but both the elderly/disabled deduction and the dependent deduction are now indexed to inflation (rounded to the next lowest multiple of \$25).

HOTMA also raised the threshold for elderly or disabled households to deduct "health and medical care expenses" from 3% to 10%. The higher threshold also applies to

"Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed."

The statute and final rule retained the deduction for "Reasonable child care expenses for household members under the age 13 that enable a household member to have paid employment or go to school". Other details relating to these deductions are shown in the attachments.

Hardship Exemptions for Deductions. HOTMA creates two categories of hardship exemptions to the increased threshold for medical deductions. The first is for families who have been taking the deduction for "unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses" based on the 3% threshold. For these households, the higher 10%

threshold will be phased in, with expenses exceeding 5% of income deductible in the first year, 7.5% in the second year, and the full 10% effective the third year.

The second hardship exemption for medical deductions is for families that can demonstrate that the family's health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination. For these families, the PHA will deduct the eligible expenses in excess of 5 percent of the family's income for a period of up to 90 days, which can be extended for additional 90-day periods at the discretion of the PHA based on the family's circumstances or terminated if the PHA determines that the family no longer needs the exemption.

In addition, HOTMA creates a hardship exemption for households that become ineligible for the child care expense deduction (for example, because child care is no longer necessary to enable a member of the family to be employed or to further his or her education). These households can request a hardship exemption to retain the childcare expense deduction for 90 days if they can demonstrate that they would be unable to pay rent due to loss of the deduction.

Earned Income Disregard. Currently, earned income is disregarded for newly-employed household members in certain circumstances, referred to as the Earned Income Disregard or EID. When eligible, the earned income is not counted for the first year and counted at 50% in the second year. HOTMA eliminates EID, but maintains some of the work incentive of EID by eliminating most interims due to increased earnings. Families participating in EID as of December 31, 2023 can still benefit from the EID. The program ends on January 1, 2026.

All of the recommended policy changes are attached, with new language underlined and deleted text interlined.

LAF/CS/FAH

Attachments: Resolution No. 23-09/27-01
Resolution No. 23-09/27-02
Public Housing Admission and Occupancy Policies
Housing Choice Voucher/Section 8 Admission and Occupancy Policies

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 23-09/27-01**

**AMEND ADMISSION & OCCUPANCY POLICIES FOR THE
PUBLIC HOUSING PROGRAM; AMENDING THE AGENCY PLAN**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has undertaken to provide decent, safe and sanitary housing for families pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

WHEREAS, the PHA currently administers a Low-Income Public Housing Program which now includes 418 units; and

WHEREAS, the Public Housing Agency of the City of St. Paul (PHA) has in effect Public Housing Admission and Occupancy Policies, dated February 23, 2000 as amended; and

WHEREAS, staff has recommended and the Board finds that it is necessary and appropriate to revise the Admission and Occupancy Policies, to conform to federal regulations and to improve the administration of the program;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, that the Admission & Occupancy Policies for the Public Housing Program are hereby revised as shown on the attachment, effectively immediately; and the Agency Plan is amended accordingly.

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 23-09/27-02**

**AMEND ADMISSION & OCCUPANCY POLICIES FOR THE
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has undertaken to provide decent, safe and sanitary housing for families pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

WHEREAS, the PHA currently administers a Section 8 Housing Choice Voucher (HCV) Program which now includes 5,242 units; and

WHEREAS, the Public Housing Agency of the City of St. Paul (PHA) has in effect Section 8 Admission and Occupancy Policies, dated February 23, 2000 as amended; and

WHEREAS, staff has recommended and the Board finds that it is necessary and appropriate to revise the Admission and Occupancy Policies, to conform to federal regulations and to improve the administration of the program;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, that the Admission & Occupancy Policies for the Section 8 Housing Choice Voucher Program are hereby revised as shown on the attachment, effectively immediately.

Part One: Eligibility For Admission

I. Overview

Only families and individuals who meet program eligibility requirements can live in public housing. The following factors determine whether an applicant is eligible:

Refer to:
24CFR
§5.403

A. Family Status Requirement: “Family” includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A single person, who may be an elderly person, displaced person, disable person, near-elderly person, or any other single person; or
2. A group of person residing together, and such group includes, but is not limited to:
 - a. An elderly family;
 - b. A near-elderly family;
 - c. A disabled family;
 - d. A displaced family;
 - e. The remaining member of a tenant family; and

B. Adult Head of Household: The head of household must be age eighteen or older.

BC. Economic and Non-Economic Requirements: The applicant family or individual must meet the PHA’s economic and non-economic eligibility requirements, as detailed in Sections III. -V. of this Part.7

D. Social Security Number Requirement: The applicant must provide the Social Security Number (SSN) and valid Social Security card (or other acceptable documentation) for all family members unless one of the exceptions stated in HUD regulations applies.

§5.216;

Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA, should make such

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.

E. Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.

1. Unless one of the exceptions stated in HUD regulations applies, the PHA must deny the eligibility of an applicant if he or she (including each member of the household who is required to disclose his/her SSN) does not disclose a SSN and/or provide the required documentation for the SSN.
2. However, if the family is otherwise eligible for admission to public housing, the family may maintain its position on the waiting list for not more than 60 days after it is found to meet all other eligibility requirements.

F. United States Citizenship Status Requirements:

1. An applicant who is a citizen must sign a declaration of U.S. citizenship. §5.500
§5.508
2. Applicants who are age 62 or older who are non-citizens must sign a declaration of eligible immigration status and submit a proof-of-age document. §5.508
3. Other non-citizen applicants must sign a declaration of eligible immigration status, a signed verification consent form, and U.S. Immigration and Nationalization Service forms to establish their eligibility for public housing. (The PHA is not able to provide assistance to non-eligible immigrants).

G. Income Limits: The applicant family or individual must meet income requirements. §5.609

1. The family's annual income anticipated for the next twelve months must be at or below the current income limit set for low income families. This income limit is based upon 80% of the median income for the area.
2. The PHA examines the current family income and projects it forward for the next twelve months to calculate anticipated annual income. A period of less than twelve months may be used if the family's source of income is temporary or unusual, and which will not likely recur in the next twelve months. No deductions or allowances are subtracted from the total annual income in determining the family's eligibility for the program. §5.609

3. The income limit restrictions do not apply to a family already living in public housing. The family will not be required to move out if their income exceeds the current income limit.

20223 Income Limits Summary

Income Limits for Public Housing In 20223	
Area Median Income \$118,200124,900	
Household Size	Low Income (80% of Median)
1 Person	\$66,300 62,600
2 Person	\$75,750 71,550
3 Person	\$85,200 80,500
4 Person	\$94,650 89,400
5 Person	\$102,250 96,600
6 Person	\$109,800 103,750
7 Person	\$117,400 110,900
8 Person	\$124,950 118,050

Effective 4/18/20225/15/2023

H. Restrictions based on net assets and property ownership. A family is not eligible for assistance if their net assets (as defined in § 5.603) exceed \$100,000 either initially or upon reexamination of family income, or if the applicant family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a piece of real property that is suitable for occupancy by the family as a residence (based on laws of the state or locality in which the property is located).

II. The Waiting List

§960.206

A. Overview:

1. Households must complete an application to participate in the public housing program.
2. The PHA makes an initial eligibility determination based upon information in the household’s application.
3. Eligible applicants are then put on a waiting list for admission that uses the date and time of application and preference factors to determine priority of placement.

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

4. If a waiting list lottery is conducted, the application date and time for all applications received during the first week the waiting list is open is randomized within that period.

B. When Applications Are Taken: Applications for public housing are taken at all times unless, in the judgment of the PHA, it should close the waiting list because it has a sufficient number of applicants it can serve in a reasonable period of time.

C. Updating the Waiting List: No less than annually, the PHA will update the waiting list and remove the names of those applicants who are no longer interested in public housing, who no longer qualify, or who cannot be reached by any available means of communication that has been provided by the applicant.

D. Reinstatement to [Public Housing] Waiting List After Cancellation During Waiting List Updates: After the PHA cancels an application when the waiting list is updated, because the applicant could not be reached by any available means of communication that has been provided by the applicant, the applicant can be reinstated to the same place on the waiting list only if he or she contacts the PHA in writing (including using the PHA's online applicant portal) within 60 days after the cancellation date. The applicant will be reinstated to the same place on the waiting list.

E. Reinstatement to Waiting List After Cancellation During the Eligibility Determination Process.

1. Cancellation Due to Missed Appointments: The PHA will remove an applicant from the waiting list (that is, cancel the application) if he or she fails to attend a scheduled appointment.

a. The applicant will be reinstated to the same place on the waiting list only if he or she contacts the PHA within 60 days from the date of the cancellation. After 60 days beyond the cancellation date, the applicant may reapply if the waiting list is open.

b. If an applicant contacts the PHA within 60 days after cancellation due to a missed appointment and the PHA schedules a new appointment, and then the applicant fails to attend the second appointment, the PHA will cancel the application and will not reinstate it again. In that event the applicant may reapply 60 days or more after the date of the second cancellation if the waiting list is open.

2. Cancellation for Failure to Provide Required

Documentation: The PHA will remove an applicant from the waiting list (that is, cancel the application) if the applicant fails to provide documentation required to determine program eligibility. Before canceling the application, the PHA will send the applicant a notice listing what information is required and stating that the application will be canceled if the applicant does not provide the information by the deadline stated in the notice. If the applicant does not provide the required information within the time allowed, the PHA will send a second letter stating that the application has been canceled. That letter will also give the applicant 15 business days from the date of the letter to provide the required information to the PHA. If the applicant does not provide the information within that time period, the application will remain canceled. In that event, the applicant may reapply after 60 days of being canceled, if the waiting list is open.

3. Voluntary Cancellation: The PHA will cancel an application at the request of an applicant, either before or during the eligibility determination process. After a voluntary cancellation, applicants will be reinstated to their previous place on the list only if they contact the PHA in writing within 60 days from the date of cancellation. After 60 days the applicant may reapply if the waiting list is open.

F. Closing and Opening the Waiting List: Before suspending or resuming taking applications, the PHA will issue a public announcement. The announcement will be published in local newspapers at least two weeks before the waiting list is closed or opened.

G. Household Splits; Lease-Ons:

1. If one or more members of a household currently living in public housing wish to move into a separate unit, they must apply, be placed on the public housing waiting list according to their date of application, and meet the same eligibility requirements as other applicants. The PHA may approve a transfer in accordance with Part 7, Section III. E.
2. If one or more persons not living in public housing want to be added to a lease and become members of a household currently living in public housing ("lease-on"), they must apply and meet the same eligibility requirements as other applicants. If the lease-on applicants are determined to be eligible and they can move into the household without

exceeding the PHA's occupancy standards, they may be admitted without regard to their position on the public housing waiting list. See Part 7, Section III.F.5. Transfers to Comply With Occupancy Standards. See also Part 6. VII. Adding Members to a Household (Lease-Ons)

- a. **Housing History for Lease-Ons.** When an adult who is not a member of a current resident's household applies to be added to the household's lease (lease-on), the PHA may, in its discretion, approve the lease-on under the following conditions:
 - i. The applicant's available, verifiable housing history must be satisfactory.
 - ii. The household's current resident(s) must have been a tenant or tenants in good standing for at least twelve months.
 - iii. The person applying to be added to the lease must not have been living in a PHA unit as an unauthorized person.
 - iv. All adult members of the household, including the person applying to be added to the lease, must sign a lease addendum agreeing that the PHA may terminate the entire household's lease if the person who is added to the lease commits any criminal activity or other serious violation of the lease during the twelve months after the lease-on is approved.
 - v. Neither the person added to the household by leasing on, nor other members of the household, will be approved to transfer to another PHA unit (a household split) until after twelve months from the effective date of the lease-on.
 - vi. The person added to the household by leasing on will not be permitted to stay in the unit as the head of household (remaining household member) if the other member(s) of the household move out within twelve months after the effective date of the lease-on.
3. Marriage does not automatically result in the spouse being added to the lease. A spouse will be subject to the same economic and non-economic requirements for admission as other lease-on applicants.

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4. Live-in aides/care attendants must meet non-economic screening standards.

H. Lease-Ons; Adding Minors to a Household in Public Housing:

The PHA may approve a head of household's request to add (lease-on) a minor to the household if the head of household or another adult household member proves that he or she has legal custody of the minor, by providing one of the following documents:

1. Birth certificate showing that the adult household member is the biological parent of the minor
2. Legal proof of adoption
3. Court order awarding custody
4. Written Delegation of Parental Authority, under Minnesota Statutes Section 524.5.211.

NOTE: A Delegation of Parental Authority, under the statute, is a temporary delegation of authority from a parent of a child to another adult, valid for up to one year. It should be reviewed annually and may be renewed.

Assets

Table 1-2:

A. Assets Include:

B. Assets Do Not Include:

<ol style="list-style-type: none"> 1. Amounts in savings accounts and six- or twelve –month average (whichever bank provides) balance for checking accounts. If a bank does not provide a 6 or 12- month average for checking accounts, the current balance will be used. 2. Stocks, bonds, savings certificates, money market funds and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (<i>such as broker fees</i>) that would be incurred in selling the asset. 4. The cash value of trusts that are available to the household. 5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty. 6. Contributions to company retirement/ pension funds that can be withdrawn without retiring or terminating employment. 7. Assets, which, although owned by more than one person, allow unrestricted access by the applicant. 8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims, deferred SSI and Social Security payments paid in a lump sum. 9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. 10. Cash value of life insurance policies. 11. Assets disposed of for less than fair market value during two years preceding certification or recertification. 	<ol style="list-style-type: none"> (i) <u>The value of necessary items of personal property;</u> (ii) <u>The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);</u> (iii) <u>The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;</u> (iv) <u>The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;</u> (v) <u>Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;</u> (vi) <u>The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code,</u>
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the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.

(vii) Interests in Indian trust land;

(viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;

(ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;

(x) Family Self-Sufficiency Accounts; and

(xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(xii) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

~~1. Necessary personal property, except as noted in Column A; item 9 of this table.~~

~~2. Interest in Indian Trust lands.~~

~~3. Assets that are a part of an active business or farming operation.~~

NOTE: ~~Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the family's main occupation.~~

- ~~4. Assets not accessible to the family and which provide no income for the family.~~
- ~~5. Vehicles especially equipped for the handicapped.~~
- ~~6.1. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.~~

Counts as income:

- 1. Actual income from assets if total assets are \$50,000 or less;**
- 2. If assets are more than \$50,000, the greater of actual income from assets, or, if actual income cannot be calculated.**

Total assets x Passbook Savings Rate established by the PHA in accordance with HUD guidelines.

III. Calculating Annual Income

A. Annual Income: Annual income includes, with respect to the family:

- (1) All amounts not specifically excluded in 24 CFR § 5.609, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
- (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD. Annual income is the anticipated total income from all sources listed in this section that are received by:-

B. Calculating Income. The PHA must calculate family income as follows:

- (1) Initial occupancy or assistance and interim reexaminations. The PHA must estimate the income of the family for the upcoming 12-month period:
 - (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
 - (ii) To determine family income for an interim reexamination of family income.
- (2) Annual Reexaminations.
 - (i) The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination.
 - (ii) In determining the income of the family for the previous 12-month period, the PHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.
 - (iii) The PHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.
- (3) Use of other programs' determination of income.
 - (i) The PHA may determine the family's income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means tested forms of Federal public assistance:

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(A) The Temporary Assistance for Needy Families block grant.

(B) Medicaid.

(C) The Supplemental Nutrition Assistance Program.

(D) The Earned Income Tax Credit.

(E) The Low-Income Housing Credit.

(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children

(G) Supplemental Security Income.

(H) Other programs administered by the Secretary.

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through a Federal Register notice.

(ii) The PHA must obtain the annual income determination for other means-tested public assistance using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA must calculate annual income in accordance with 24 CFR part 5, subpart F.

~~e.—Interest, dividends, and other net income of any kind from assets whether real or personal property or instruments such as stocks, bonds, certificates of deposit.~~

~~(1) Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income.—~~

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

- ~~(2) An allowance for depreciation of real or personal property may be deducted from the interest, dividends or other net income derived from the property (straight line depreciation shall be used as provided in Internal Revenue Service regulations).~~
 - ~~(3) Any withdrawal of cash or assets from an investment shall be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family.~~
 - ~~(4) Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets, or a percentage of the value of such assets based on the current passbook savings rate as determined by the PHA in accordance with HUD guidelines.~~
 - ~~(5) Actual income from assets shall be included as income if total assets are \$5,000 or less.~~
- d. ~~The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement income, pensions, disability or death benefits, and other similar types of periodic receipts.~~
- e. ~~Payments in lieu of earnings, such as unemployment and disability compensation, Worker's Compensation and severance pay. (Note the exclusion of lump sums to income listed in the following Part I., Section B 4.)~~
- f. ~~Welfare assistance:~~
- ~~(1) If the amount of welfare is reduced because of an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.~~
 - ~~(2) If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted as income.~~

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- ~~g. Periodic and determinable allowances, such as **alimony, child support payments, and regular contributions or gifts**, including amounts received from any person not residing in the dwelling.~~
- ~~h. **All regular pay, special payments and allowances** (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.), received by a **member of the Armed Forces** (whether or not living in the dwelling) who is head of the family, spouse, or other family member whose dependents are residing in the unit.~~
- ~~i. Payments to the head of the household for **support of a minor**, or payments nominally to a minor for his support, but controlled for his benefit by the head of the household or a resident family member other than the head, who is responsible for his support.~~
- ~~j. **Relocation payments** made to displaced households made under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 or under 104(d) of the Housing and Community Development Act. The amount of income to be included will be based upon the number of months remaining in their 42 or 60 months entitlement since the date the family received its first replacement housing payment.~~

49 CFR 24
(Department of
Transportation
regulations) and
HUD Handbook
1378, Part 2-8

BC. Annual Income Does Not Include:

1. Amounts specifically excluded in 24 CFR § 5.6094. **Non-recurring income**, defined as:

 - a. Sporadic and irregular gifts,
 - b. Amounts that are specifically received for, or reimbursement of, the cost of medical expenses for any family member.
 - e. Certain non-recurring or sporadic income.

2. **Income from employment of minors (including foster children).**
3. **Income of certain care providers:**
 - a. **Foster care:** Payments received for the care of foster children or foster adults.

~~b. — **Care Attendant or Live-In Aide Income:** Income of a care attendant will not be counted in determining the family's income if the PHA determines that the care attendant is essential to the care and well-being of a family member.~~

~~e. — **Care of a Disabled Family Member:** Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.~~

~~4. **Lump-sum Additions:** Lump-sum additions to family assets; such as, but not necessarily limited to:~~

~~a. — Inheritances;~~

~~b. — Insurance payments, including payments under health and accident insurance and worker's compensation;~~

~~c. — Capital gains;~~

~~d. — Settlements for personal or property losses;~~

~~**Deferred Periodic Payments** of Supplemental Security Income (SSI) and Social Security benefits that are received in a lump-sum payment or in prospective monthly amounts.~~

~~5.~~

~~6. — **Scholarships:** The full amounts of student financial assistance paid directly to the student or to the educational institution.~~

~~7. — **Hostile Fire Pay:** The special duty pay to a family member serving in the Armed Forces who is exposed to hostile fire.~~

~~8.7 **Income from Certain Training Programs:**~~

~~a. — Amounts received under training programs funded by HUD as determined by the program's guidelines.~~

~~b. — Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);~~

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~~e. Amounts received by a participant in other publicly-assisted programs that are specifically for, or in reimbursement of, out of pocket expenses incurred (special equipment, clothing, transportation, child care, etc.). The payments must be made solely to allow participation in a specific program;~~

~~d. A resident service stipend, not to exceed \$200 per month, received by a resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in the development. Payment in excess of \$200 a month will cause the entire amount to be considered income. No resident may receive more than one such stipend during the same period of time;~~

~~e. Compensation from state or local employment training programs and training of a family member as resident management staff; this income is excluded only for a limited period as provided for in the program's guidelines.~~

f. Earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437 t) or any comparable federal, state, or local law during exclusion period.

10. Certain earnings disregarded: The incremental earnings due to employment during a consecutive 12-month period following date of the initial hire shall be excluded. This exclusion is available only to families that were eligible for and participating in the Earned Income Disregard (EID) program, and receiving the disallowance of earned income under this section on December 31, 2023. This section will lapse on January 1, 2026.

11. Eligible families include the following:

~~9. Effective October 1, 1999, the incremental earnings due to employment during the 12-month period following date of hire shall be excluded. This exclusion (paragraph 9.) will not apply for any family who concurrently is eligible for exclusion in paragraph 8 above. Additionally, this exclusion is only available to the following families:~~

a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.

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- b. Families whose income increases during the participation of a family member in any family self-sufficiency program or other job-training program.
- c. Families who are or were, within six months, assisted under MFIP or another state TANF Program.
- d. This provision applies when an eligible adult begins employment on or after October 1, 1999, while a resident of public housing.

(While HUD regulations allow for the PHA to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of this PHA to provide the exclusion in all cases.)

~~10. **Further earnings disregarded:** In the case of a family who has qualified for the earned income exclusion in Part One, Section III.B.9. explained above, upon the expiration of the 12-month period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the rent increase due to the earned income will be capped at 50 percent of the rent increase the family would have otherwise received.~~

~~11. **Reparation payments:** For all initial determinations and re-examinations of income carried out on or after April 23, 1993, reparations paid by a foreign government pursuant to claims filed under the laws of the government by persons who were persecuted during the Nazi era.~~

~~12. **Earnings in excess of \$480 per year for each full-time student** 18 years of age or older (excluding the head of household or spouse).~~

~~13. **Adoption assistance payments** in excess of \$480 per year per adopted child.~~

~~14. **Refunds or rebates,** such as renters' credit, received by the family under state or local law for property taxes paid on the dwelling unit.~~

~~15. **Statutory exclusions:** Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under~~

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the National Housing Act of 1937 or Section 236 of the National Housing and Community Development Act of 1974, including but not limited to the following:

Annual income does not include:

§5.609

- 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. ~~Payments to volunteers under the domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);~~
- c. ~~Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(e));~~
- d. ~~Income derived from certain submarginal land of the United States that is held in trust for certain Indian Tribes (25 U.S.C. 459e);~~
- e. ~~Payments or allowances made under the Department of Health and Human Services Low Income Home Energy Assistance Program (42 U.S.C. 8624(f));~~
- f. ~~Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-2504);~~
- g. ~~The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted land, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);~~
- h. ~~Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by and individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if that individual~~

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

is over the age 23 with dependent children (Pub. L. 109-115, section 327)(as amended);

- i. ~~Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(g));~~
- j. ~~Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in the *In Re Agent* product liability litigation, M.D.L. No. 381 (E.D.N.Y.);~~
- k. ~~Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);~~
- l. ~~The value of any child care provided or arranged (or any amount received as payment for such care or reimbursements for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);~~
- m. ~~Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(f));~~
- n. ~~Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);~~
- o. ~~Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));~~
- p. ~~Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and~~
- q. ~~Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931);~~
- r. ~~Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced price-~~

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~~lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);~~

- ~~s. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));~~
- ~~t. Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437 A) by section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289);~~
- ~~u. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act 2010 (Pub. L. 110-289);~~
- ~~v. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., 816 F. Supp. 2d 10 (Oct. 5, 2011 D.D.C.), as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291); and~~
- ~~w. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) comparable disaster assistance provided by States, local governments, and disaster assistance organizations shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs (42 U.S.C. 5155 (d)).~~

~~16. Cash grants received by residents who are participating in a national research study titled "Income and the Developing Brain During the First Three Years of Life". This exclusion from income begins in April 2018 and continuing until the research project ends.~~

IV. Verifying Applicants' Statements And Incomes

A. Overview:

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1. Applicants shall be required to furnish proof of their statements when requested by the PHA. See Section V. 24 CFR §5.233
2. All determinations will be fully documented in the files. §960.259(c)(1)
3. The PHA will utilize HUD's online "Upfront Income Verification" and "Enterprise Income Verification" (UIV/EIV) systems to the greatest extent feasible to verify employment income and other eligibility information for all applicants and residents. PIH 2010-19

B. Documentation from Applicant: Applicants are required to submit documentation to the PHA to verify statements related to program eligibility.

C. Applicant Releases: Applicants are required to sign release forms that authorize necessary third party verifications that include, but are not limited to, income and assets. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or third party documentation provided by the applicant, the applicant will not be required to sign release forms for those income sources.

D. Use of Confidential Information/Data Practices: Information that is obtained directly from applicants, or from those persons authorized by the applicant, will be used or disclosed only for purposes relating directly to the administration of the Public Housing Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

E. Family Composition and Residency: Certification by applicants will normally be considered sufficient verification of family composition and residence as provided by the applicant's signature on the application. However, the PHA reserves the right to request additional verification.

F. Income: ~~All~~ Except as stated below, all earned and unearned income must be verified at the time of admission through third parties.

1. Written Third Party Verification. To the greatest extent feasible, income should be verified through acceptable documents that are 24 CFR §5.233
§960.259(c)(1)
PIH 2010-19

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

generated by third parties, but are in the possession of and provided by the applicant.

2. Verification Forms. If the applicant cannot provide acceptable third party documentation, the PHA may obtain the required verifications using forms sent to the third parties (employers, etc.).
3. Oral Third Party Verification. If neither form of written verification can be obtained, the PHA may verify income information by contacting the income source(s) via telephone or in-person visit.
4. Tenant Declaration. If none of the forms of third party verification listed above can be obtained, the PHA may at its discretion accept an affidavit or notarized statement by the applicant of reported income, Staff must document in the family's file the reason(s) why third party verification was not available.
5. Within 90 days after the applicant is admitted to public housing, the family's earned income must be verified through HUD's online UIV/EIV systems.
6. Safe Harbor" Verifications. The PHA will accept verification from any means-tested program permitted by HUD, which includes but is not limited to income calculations from the following:
 - a. Temporary Assistance for Needy Families block grant (TANF).
 - b. Medicaid.
 - c. Supplemental Nutrition Assistance Program (SNAP).
 - d. Earned Income Tax Credit.
 - e. Low-Income Housing Tax Credit (LIHTC).
 - f. Special Supplemental Nutrition for Woman, Infants, and Children (WIC) and
 - g. Supplemental Security Income (SSI).

5. This verification must include the tenant's family size and composition and state the family's annual income. The verification must also be dated within the time frame specified for the type of verification, including within the previous 12-month period for purposes of the specified means-tested form.

G. Assets: If the total value of reported assets is \$50,000 or more, their value must be verified in the same manner as income (see above). The PHA may accept the applicant's declaration of the amount of assets equal to or less than \$50,000, and the amount of income expected to be received from those assets. In such cases the PHA must verify the information at least every three years.

H. No Income: The absence of income will be verified through third parties where possible. Applicants reporting no income will be required to sign a statement certifying that they are receiving no income.

I. Misrepresentation: Any material misrepresentation on the part of an applicant revealed through the application process or otherwise, may result in a determination of ineligibility. The applicant shall be notified in writing of such determination by the PHA, and shall be given the opportunity to request an informal hearing of the matter.

V. Non-Economic Qualifications For Admission

A. Overview:

1. **Lease Compliance:** Applicants must be able to demonstrate the ability and willingness to comply with the terms of the PHA's lease either alone or with assistance at the time of their admission to public housing. The PHA will deny admission to any applicant whose habits and practices reasonably may be expected to have a detrimental effect on other tenants, on the development environment, or on the financial stability of the PHA's Public Housing Program. §960.203
2. **Information Sources:** The PHA will rely upon sources of information which may include, but are not limited to, PHA records, personal interviews with the applicant or tenant, home visits, credit checks, criminal and court records or police departments' records, references from previous and current landlords (or agents), employers, family, social workers, parole/probation officers, drug treatment centers and detoxification centers. §960.206
3. **Lack of Information and Applicant's Responsibility:** It is the applicant's responsibility to provide all requested non-economic eligibility information, and to ensure that all requested verifications of such information are received by the PHA. An application file lacking these verifications will be considered incomplete and cannot be approved.
 - a. **Housing history:** The PHA requires the applicant to provide addresses of all places where the applicant has lived in the last three years, both to check for possible criminal history records in those jurisdictions, and to contact property owners and/or other credible sources who may verify that the applicant resided there, and who may

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

provide evidence as to the applicant's ability and willingness to comply with the PHA's lease requirements.

- b. **Application denied or suspended for lack of housing history:** An applicant who does not provide the required length of verifiable housing history will be denied admission. However, at the discretion of the PHA, the PHA may offer to suspend the application for a specific period of time that will depend on the facts and circumstances under consideration, to allow the applicant to increase the length of verifiable housing history. If the applicant declines to accept the suspension option, the PHA will deny the application. If the applicant agrees to the suspension, then when the suspension period ends, the PHA will resume determining the applicant's eligibility, which may mean re-verifying eligibility factors that were verified previously.
4. **Restricting Reapplication/Readmission:** For a period of one year from the date of any of the following actions the PHA will not accept public housing applications from or readmit a family or individual who:
- a. has been denied admission to public housing;
 - b. has been evicted from PHA owned property for cause or non-payment of rent;
 - c. has voluntarily terminated their tenancy with the PHA to avoid eviction;
 - d. has been formally barred ("trespassed") from PHA property; and/or
 - e. has engaged in or threatened abusive or violent behavior toward PHA personnel.

Use of this restriction is subject to any mitigating circumstances that an applicant may present. (See Section C., Mitigating Circumstances.)

See also Part 1, Section 1.E.

- B. Basis for Denial of Admission:** A record or history of any of the following may be sufficient cause for the PHA to deny admission to the household:

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

1. **Inability or failure to provide required verifiable economic and non-economic eligibility information;**
 2. **Inability to comply with the lease without supportive services from PHA staff** that would require an alteration in the fundamental nature of the public housing program;
 3. **Non-payment** of rightful obligations, including rent and utilities;
 4. **Disturbance** of neighbors;
 5. **Destruction** of property;
 6. **Poor living or housekeeping habits;**
 7. Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to public housing for a three-year period beginning on the date of such eviction.
 8. A history of or current record of **criminal activity** involving crimes of **physical violence** to persons or property or a history of other criminal acts, conduct or behavior which would adversely affect the health, safety or welfare of other tenants, neighbors or PHA employees. See also Section 15, below, Registered Sexual Offenders.
 9. A history of or current record of **drug-related criminal activity** by the applicant, any member of the applicant's household, or a guest or other person under the applicant's control.
- For purposes of these Policies, “**criminal activity**” includes, but is not limited to, **intentional conduct that is forbidden by and punishable under Minnesota law**, even though such conduct may be neither reported to a law enforcement agency nor prosecuted. Such conduct includes, but is not limited to, acts of physical violence or the threat of such acts. Neither proof beyond a reasonable doubt nor conviction in a court of law is necessary to establish whether an applicant or resident has engaged in criminal activity that amounts to a violation of the terms of the dwelling lease.
10. A history of, or current **violation of, the terms and conditions of a lease or occupancy agreement.**

Housing
Opportunity
Program
Extension Act of
1996
§960.205

1998 Housing
Act §578

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

11. An applicant's **misrepresentation of any information** related to eligibility, award of preference for admission, allowances, family composition or rent.
12. A history of, or current conduct by a household member apparently caused by **substance abuse of alcohol or drugs, that would be a violation of the terms of the dwelling lease**, and an indication that such conduct is likely to continue and adversely affect the residential development environment.
 - a. A determination by the PHA that an applicant is illegally using a controlled substance;
 - b. A determination by the PHA that there is reasonable cause to believe that an applicant abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
 - c. A determination by the PHA that there is reasonable cause to believe that the applicant's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
13. A committing of **fraud** by a household member in connection with **any federal housing assistance program**.
14. Any member of the household who currently **owes rent or other amounts to the PHA or to another PHA** in connection with the Public Housing or Section 8 Programs.
 - a. Prior to their re-admission to public housing, former public housing residents and Section 8 participants shall pay or make arrangements to pay all sums owed to the PHA or another PHA.
 - b. Payment Agreements may be executed with the applicants who are otherwise program eligible and who have demonstrated to the PHA's satisfaction that they do not have the present ability to pay the entire amount. See also Part 2, Section IV. of these Policies.
15. Registered Sex Offenders. The PHA must deny admission or terminate the lease of any resident who is subject to a lifetime registration requirement under any state's **sex offender registration** program.

1998 Housing
Act §575-577

24 CFR Sec.
960.204(a)(4)
(5/24/2001
Fed.Reg.)

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

16. Persons convicted of methamphetamine manufacture or production. The PHA must permanently deny admission of any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing.
17. For a period of one year from the date of any of the following actions the PHA will not accept public housing applications from or readmit a family or individual who:
 - a. Was denied admission to public housing;
 - b. Was evicted from PHA owned property for cause or non-payment of rent;
 - c. Voluntarily terminated tenancy with the PHA to avoid eviction;
 - d. Was formally barred from entering one or more PHA properties under a “no trespass order”; and/or
 - e. Engaged in or threatened abusive or violent behavior toward PHA personnel.
18. Victim of Domestic Violence. The PHA will not deny a qualified applicant admission solely because the applicant is a victim of domestic violence, dating violence or stalking. The PHA may require an applicant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix K, VAWA Policy)
19. The PHA may deny admission to an applicant who is or claims to be a victim of such domestic violence, dating violence or stalking if the applicant fails or refuses to provide a signed certification or other documentation as evidence of the domestic violence, dating violence or stalking within 14 business days after being asked to do so. (See Appendix K, VAWA Policy)

C. Mitigating Circumstances: In the event the PHA receives unfavorable information with respect to an applicant which will likely cause the PHA to deny them admission, consideration shall be given to the time, nature and extent of the applicant's or a household member's conduct; and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

§960.205(d)

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

1. Mitigating circumstances might include, but are not limited to:
 - a. Evidence of **successful rehabilitation**;
 - b. Evidence of the applicant family's participation in or willingness to **participate in social service or other appropriate counseling**;
 - c. Evidence of **successful modification** of previous disqualifying behavior.
 2. The PHA's primary mission is to provide housing. The PHA is under no obligation to locate or provide services to public housing applicants or tenants. However, on a case-by-case basis, the PHA may consider admitting an applicant or continuing the tenancy of a resident who agrees to accept support services necessary to comply with the terms of the PHA Lease.
 - a. The necessary support services may be provided by an agency **established to provide such service or by an individual** willing to accept responsibility for providing the necessary service.
 - b. **Payment for services** is not the responsibility of the PHA.
 - c. The PHA has the **right to approve or reject** the agency or individual agreeing to provide the necessary support services.
 - d. Some, but not all, of the **lease compliant functions** an agency or individual may assist an applicant or resident to perform are:
 - (1) Rent and utility payments;
 - (2) Cleaning/housekeeping;
 - (3) Rule compliance; and
 - (4) Avoiding disturbances.
- D. Reasonable Accommodation:** Applicants who are known to have a disability or handicap and have been determined eligible but who fail to meet the non-economic selection criteria will be offered an opportunity to have their cases examined to determine whether mitigating circumstances or

reasonable accommodations will make it possible for them to be housed. The PHA is under no obligation to locate or provide social services or care attendants to any applicant or resident. (See Appendix G.)

VI. Notice to Ineligible Families

- A. **Notice to Applicants:** The PHA will give an applicant prompt written notice of a decision denying their eligibility.

- B. **Informal Hearing:** The notice shall also state that applicants may request an informal hearing on the decision and shall describe how to obtain the informal hearing. Applicants may object if they believe the information the PHA received was erroneous or untimely. Informal hearings shall be conducted by the PHA Resident Hearing Committee.

See Part 2., Section VIII. for information about the required notice regarding ineligibility for a Local Preference.

Part Three: Rent Calculations

I. OVERVIEW

The amount of rent paid by public housing residents is based either on income or on the PHA's flat rent.

Refer to:
24 CFR
960.253

II. FLAT RENT: At admission and each year at the time of their annual reexamination, each household is given the choice of having their rent determined based on **adjusted household income** or having their rent set at the **flat rent** amount.

A. Flat Rent Determination:

1. The PHA is required to set a flat rent for each public housing unit based on the size of the unit and the approximate market rental value compared to Fair Market Rents (FMRs). The following flat rents have been in effect since April 1, 2018:

Flat Rents eff. April 1, 2018	2BR	3BR	4BR	5BR	6BR
Scattered Sites	\$1,089	\$1,547	\$1,812	\$2,083	\$2,355

2. The PHA posts the flat rents on its website and at each of the developments and at the Central Administrative Office and the Rental Office at 555 N. Wabasha Street, St. Paul, Minnesota.
3. Utility Allowances for Flat Rent payers: The utility allowance for the specific unit is subtracted from the flat rent, to determine the rent amount payable to the PHA.
4. Annual Recertifications Required: Residents who choose the flat rent option still have to complete an Annual Application for Continued Occupancy (ACO) every year.

B. Reverting from Flat Rent to Income-Based Rent:

Households who choose the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:

1. The household's income has decreased.
2. The household's circumstances have changed, increasing their expenses for childcare, medical care, transportation, education, etc.
3. Other circumstances creating a hardship on the household such that the formula method would be more financially feasible for the household.

III. RENT BASED ON ADJUSTED HOUSEHOLD INCOME

§5.611

Adjusted Household Income is annual income minus allowances for dependents and certain expenses to care for children and household members with a disability. Elderly and disabled households have an additional allowance and may also have deductions for certain medical expenses.

A. Calculation of Rent Based on Income: In calculating the income-based rent of public housing residents, the PHA must use a formula, called a **Total Tenant Payment**, commonly abbreviated as "TTP." Adjusted monthly income is one of the factors in the formula.

B. Income-Based Formula for Calculating TTP: TTP is the **highest** payment resulting from the following options (#1-4).

Total Tenant Payment For Income-Based Rents
1. 10% of total Gross Monthly Household Income . OR
2. 30% of total Monthly Adjusted Household Income . OR
3. If a household receives assistance under the Minnesota Supplemental Assistance program (MSA), that portion designated for shelter and utility costs . OR
4. \$50 minimum rent.

C. Gross Monthly Household Income is calculated by: §5.609

1. Determining the annual income (*as defined in Part 1 of this document*), and
2. Dividing it by twelve.

D. Monthly Adjusted Household Income is calculated by: §5.611

1. Determining the annual income (*as defined in Part 1 of this document*),
2. Adjusting it by subtracting the deductions shown below; and
3. Dividing it by twelve.

Annual Deductions Available To All Households

§5.611

- ~~• \$480 for each dependent who is a member of the household.~~
- HOTMA:—\$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
- Reasonable **child care expenses** for household members under the age 13 that enable a household member to have paid employment or go to school.
- ~~—~~
- **Disability assistance expenses** in excess of 310% of annual gross income for the care of a family member with a disability that enables that person or another household member to have paid employment.

Annual Deductions Available To Elderly and Disabled Households Only

- HOTMA:—\$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;
 - ~~\$400 per elderly household when the head or spouse is at least age 62, or has a disability. Only one deduction per household may be taken even if both members are over age 62 or have a disability.~~
- HOTMA: The sum of the following, to the extent the sum exceeds ten percent10% of annual income:
 - Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined 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
- ~~Anticipated medical expenses in excess of 3% of annual income. All household members' medical expenses are included in this calculation.~~
 - ~~Elderly and disabled households may combine their handicapped assistance expenses and medical expenses to reach the 3% of annual income threshold. Once that threshold has been met, all eligible handicapped and medical expenses in excess of 3% of annual income are deductible.~~

E. Deductions and Related Definitions:

1. An “**elderly household**” is a family whose head or spouse, or only member, is at least age 62, or who is a person with a disability or a handicap. §5.403
42 U.S.C.
1437 a(b)

2. A “**dependent**” is: §5.603
 - a. A person who is under 18 years of age, or;
 - b. A person with a disability, or;
 - c. A full-time student who is over age 18 and is a member of the household. They are considered a member of the household if they live in the household during the school term. They must carry a full-time subject load at an educational institution with a degree or certification program. The institution defines what is a full-time subject load.
 - (1) **The definition “dependent” does not include:**
 - (a) The family head or spouse;
 - (b) Foster children; or
 - (c) Foster adults.

3. A “**person with a disability**” is someone with disabilities as defined in 42 U.S.C. §423 or who has developmental disabilities as defined in 42 U.S.C. §6001(7). The following is a summary of these requirements: 42 U.S.C.
1437 a(b)
 - a. Section 423 defines a disability as an inability to be employed due to:
 - (1) Any physical or mental impairment that is expected to last continuously for the next 12 months or is expected to be fatal.
 - (2) If a person over age 55 is blind, their blindness must prevent them from substantial employment comparable to what they did previously when they had eyesight.
 - b. Section 6001 (7) defines developmental disability as a:
 - (1) Severe chronic condition that is due to a mental or physical impairment, or combination of both, which
 - Was evident before the person was age 22,
 - Is likely to continue indefinitely, and
 - Results in substantial functional limitations.

4. Child care expenses. Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

§5.603

~~4. **Child care expenses** are costs paid by the family for the care of minors who are under age 13 where such care is needed to enable a family member to be employed or for an adult to further their education.~~

~~a. The amount deducted must reflect reasonable charges for child care; and~~

~~b. In the case of child care necessary to permit employment, the amount deducted cannot exceed the amount of employment income that is included in annual income; and~~

~~c. Only the costs that are not reimbursed are deductible.~~

~~5. **Disability assistance expenses.** are anticipated reasonable costs for care attendants and necessary equipment for a household with disabilities.~~

§5.603

5. Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

~~a. The cost of the attendant and equipment are deductible only if they enable an adult member of the household (including the member with a disability) to have paid employment.~~

~~cb. The amount deducted cannot exceed the employment income received by family members, who are at least age 18, as a result of the assistance to the person with a disability.~~

~~e. The expenses are only deductible if they are paid to an eligible care attendant and are not reimbursed by an outside source. (See Appendix A. for a further definition of a care attendant.)~~

6. **Health and Medical Care expenses** are any unreimbursed costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. ~~anticipated medical costs, including medical insurance premiums that are not covered by insurance. Medical expenses previously incurred and paid are not eligible deductions. Only elderly households are eligible for this deduction. Examples of eligible medical expenses are:~~

- ~~a. Prescription and non-prescription medicines,~~
- ~~b. Transportation to medical treatment,~~
- ~~c. Physicians and other health care professional services,~~
- ~~d. Dental expenses, eyeglasses, hearing aids and batteries,~~
- ~~e. Monthly payments on accumulated medical bills, and~~
- ~~f. Medical care of a permanently institutionalized family member that person's income is included in the family's gross income calculation.~~

7. Hardship Exemptions

- Hardship Exemption for Health and Medical Care Expenses
For families that are receiving the 3% unreimbursed health and medical care expense and reasonable attendant care and/or auxiliary apparatus expense deduction as of January 1, 2024 annual reexaminations beginning after January 1, 2024 will the threshold increased to 5 percent the first year, 7.5 percent second year, and reaching the new statutory standard of 10 percent in the third year.

- Additional Hardship Relief: If an elderly family or a family with disabilities demonstrates that it is experiencing a financial hardship, because the family's applicable health and medical expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances (as defined by the PHA) that would otherwise trigger an interim reexamination, the family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.

- The family's hardship relief ends when the circumstance made the family eligible for the relief are no longer applicable after 90 days, whichever comes earlier.

- This hardship relief can be extended for additional 90-day periods at the discretion of the PHA based on the family's circumstances or terminated if the PHA determines that the family no longer needs the exemption.

- Hardship exemption for Childcare expenses: Household become ineligible for the child care expense deduction (for example, because child care is no longer necessary to enable member of the family to be employed or to further his or her education) can request a hardship exemption to retain the childcare expense deduction for 90 days if they can demonstrate that they would be unable to pay rent due to loss of the deduction.

IV. MINIMUM RENT PAYMENT; WAIVER BASED ON HARDSHIP §5.630

HARDSHIP: The PHA has set the minimum rent at \$50. However, if the family requests a hardship exemption, the PHA will immediately suspend the minimum rent for the family until the PHA can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature. It is the family's responsibility to provide the information supporting the claimed hardship.

A. A hardship exists in the following circumstances:

1. When the family has lost eligibility for or is waiting for an eligibility determination for a federal, state, or local assistance program;
2. When the family would be evicted as a result of the imposition of the minimum rent requirement;
3. When the income of the family has decreased because of changed circumstances, including loss of employment.
4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
5. When a death has occurred in the family.

B. No hardship: If the PHA determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension. The PHA will offer the family an opportunity to sign a Payment Agreement for any rent not paid during the period of suspension. During the suspension period the PHA will not evict the family for non-payment of the amount of tenant rent owed for the suspension period.

C. Temporary hardship: If the PHA reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The PHA will offer the family an opportunity to sign a Payment Agreement for any rent not paid during the period of suspension. During the suspension period the PHA will not evict the family for non-payment of the amount of tenant rent owed for the suspension period.

D. Long-term hardship: If the PHA determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists. The family must verify the continuation of the hardship at least quarterly.

E. Appeals: The family may use the grievance procedure to appeal the PHA's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

V. RENT TO BE PAID TO THE PHA

AB. All Public Housing Units:

§960.253
§965.502

1. **Income-based Rent.** For all public housing units (scattered site single family homes and duplexes), rent to be paid to the PHA will be calculated by subtracting an allowance for tenant-purchased utilities from the Total Tenant Payment which is based on adjusted household income.
2. **Flat Rent:** For households who choose to pay flat rent, the utility allowance for the specific unit is subtracted from the flat rent, to determine the rent amount payable to the PHA.

BE. Utility Allowances:

1. The allowance for tenant-purchased utilities will be taken from Part 3., Section V., Table 3-1.
2. Residents are not charged separately for appliances such as freezers and air conditioners. Consumption of such appliances is not factored into the allowances in Table 3-1. Residents pay for consumption of such appliances in their electric bills.

CE. Tenant Utility Payments: The resident shall be responsible for paying utility charges directly to Xcel Energy.

1. **Utility Reimbursements:** When the Total Tenant Payment is less than the allowance for tenant-purchased utilities, the PHA will pay the difference to the resident each month. (It is possible for families to still qualify for a utility reimbursement

despite the \$50 minimum rent requirement. For example, if a family's TTP is the minimum \$50 and the PHA's utility allowance is \$60 for that unit, the family would receive a utility reimbursement of \$10 for tenant-purchased utilities.)

2. **Utilities Provided:** The following utilities are provided to tenants as a part of the rent paid to the PHA.
 - a. Cold water, sewer service, and refuse removal are provided as a part of rent to all residents.

Public Housing Utility Allowance Schedule

APPROVED OCTOBER 24, 2018

AMP 9 - Scattered Sites

Category	BR Size	Number of Outside Walls	Utility Allowance
A: 1 ½ and 2-story Homes	2	4	144
	3	4	190
	4	4	212
	5	4	206
	6	4	289
B: Rambler, Split Entry, Split Level and Walkouts	3	4	181
	5	4	224
	4	4	193
	6	4	240
C: Duplexes, Double Bungalows	3	3	148
D. PHA-Built Cluster Duplexes			
1. Central Duplexes (Former MN 1-5)	3	3	151
	4	3	177
	5	3	186
2. West Side Duplexes (Former MN 1-7)	2	3	146
	3	3	169

Part Six: Continued Occupancy

I. Overview:

Refer to:

A. Annual Reexaminations:

24 CFR
§960.257(a)
§966.4(c)
§5.609(c)(2)

1. Except as stated below, at least once a year, the PHA must reexamine a family’s eligibility for continued occupancy, their compliance with provisions of the Dwelling Lease, the amount of the Tenant Rent, the amount of the utility allowance, and the appropriateness of the size of their unit.

§960.209(b)

2. An annual reexamination will also be required for families who have chosen to pay the flat rent.

PIH Notice
2013-03 &
2013-04
2015-13

3. “Over-Income” Residents. The PHA limits the length of time that a family may reside in public housing after their annual income exceeds HUD’s “Very Low Income” limit for the Twin Cities metropolitan area multiplied by a factor of 2.4 (approximately 120% of the Area Median Income). See II.E. below.

4. The PHA may conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family’s income consists of fixed income. See II.D. below.

5. The PHA may conduct triennial recertifications (at least once every three years) for elderly and disabled families with 90% of their income coming from fixed sources.

P.L. 114-87
Passed
12/4/2015

- B. Interim Reexaminations:** If there are changes in a family’s circumstances between the dates for an annual reexamination, the amount of Tenant Rent may change.

§5.609(c)(2)

C. Non-Economic Requirements:

1. In determining eligibility for continued occupancy, the PHA shall evaluate each tenant in accordance with the non-economic qualification requirements for admission stated in Part 1, Section V., of these Admission and Occupancy Policies, applying those requirements to the tenant’s history in public housing.

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2. If the PHA determines that a tenant's or any household member's habits and practices may be expected to have a detrimental effect on other tenants, or on the development environment, it shall notify the tenant of the family's ineligibility for continued occupancy.
3. Adult residents who are not exempt from volunteer community service (Part Six, Section VII.) must show that they have complied with that requirement to be eligible for continued occupancy.
4. Victim of Domestic Violence: The PHA will not terminate a tenant's lease based on serious or repeated lease violations or criminal activity related to domestic violence, dating violence or stalking, where the tenant is the victim of the domestic violence, dating violence or stalking. The PHA may require a tenant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix K, VAWA Policy)
5. The PHA may deny or terminate assistance to the family member who is or claims to be a victim of such domestic violence if
 - a. The tenant fails or refuses to sign a certification or provide other documentation of the domestic violence within 14 business days after being asked to do so; or
 - b. There is an actual and imminent threat to other tenants, PHA staff or persons providing service to the property if the tenant is not evicted or terminated from assistance.
6. Bifurcation of Leases: The PHA may bifurcate a lease to remove a household member who engages in criminal acts of physical violence against family members or others. (See Appendix K, VAWA Policy)

II. Annual Reexaminations

A. Timing of Reexaminations:

1. **Initial Reexamination:** The initial reexamination for each tenant family will occur according to the schedule for the development in which they reside and may occur less than twelve months after admission. Tenants who move in three months or less before the effective date of the reexaminations for that development will be required to participate in a reexamination within a month between lease signing date and effective date of the re-exam for that development. §5.617(a)

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

- 2. **Special Scheduling:** At the time of admission or any scheduled reexamination, the PHA may fix the date of the next reexamination as any date within the reexamination period as the family's circumstances may dictate.
- 3. **Transfer Reexaminations:** Transfers will not require a full reexamination for continued occupancy.

B. Requirements for Annual Reexaminations: Except as stated below, the PHA will examine all eligibility factors in making determinations, including income, assets, family composition, and the family's compliance with lease requirements. §5.617

- 1. **Application for Continued Occupancy:** Once a year, the family must complete a written Application for Continued Occupancy, commonly referred to as an "ACO", signed by the head of the family or the spouse.
- 2. **Accurate Statements:** Tenants must provide accurate statements that will enable the PHA to make an eligibility determination.

3. **Required Use of Enterprise Income Verification System (EIV).** The PHA will use HUD's online EIV system to verify tenant employment and income information at during each annual and streamlined reexamination of family composition and income recertification, in compliance with all related HUD guidance, to reduce administrative and subsidy payment errors. 24 CFR §5.233(a)(2)(ii) §5.236 §5.609(c)(2)(i)

~~The PHA may choose to use either actual past income or projected future income. Staff may verify income using the most recent 12 months of income information available in HUD's online UIV/EIV systems, instead of requiring the resident to submit documentation. The PHA will determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA or owner uses a streamlined income determination under §960.257(c).~~ PIH Notice 2013-03 & 2013-04

In determining the income of the family for the previous 12-month period, the PHA will take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income. §960.257(c)

The PHA will make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

4. If there has been a change in circumstances for a tenant, or a resident disputes the EIV-reported income information and is unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification.

The PHA will continue to verify income from sources not available in EIV, using the same time period for both wage and non-wage income.

5. **Verification Assistance:** Tenants must assist with the verification of necessary information and are required to furnish proof of their statements when requested by the PHA.

- a. **Required Releases:** All members of the household 18 years and older must sign a HUD-approved release which authorizes any depository or private source of income, or any federal, state or local agency, to furnish or release necessary information. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or through acceptable documents that are generated by a third party, but are in the possession of and provided by the applicant, the applicant will not be required to sign release forms for those income sources.

Sec. 5.230

- b. **Direct Documentation:** The family may also be required to submit other documentation directly to the PHA.

5. **Necessary Documentation:** Information or documentation shall be determined to be necessary if it is required for purposes of determining or auditing the following:

- a. A family's eligibility to continue in occupancy;

- b. For determining the family's Adjusted Income or Total Tenant Payment; or

- c. A family's eligibility for unit size.

- d. For verifying related information.

6. **Use of Confidential Information/Data Practices:** Information that is obtained directly from tenants, or from those persons authorized by tenants, will be used or disclosed only for purposes relating directly to the administration of the Public Housing Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's

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online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

C. Required Verifications:

1. **Social Security Numbers:** Tenants must provide their Social Security number (SSN) and valid Social Security card (or other acceptable documentation) for themselves and all other household members unless one of the exceptions stated in HUD regulations applies. §5.216; PIH 2010-3

Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA, should make such declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.

2. **Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.**

- a. The PHA must terminate the tenancy of residents (the entire household) if each member of the household who is required to disclose his or her SSN and provide documentation does not do so.
- b. However, if the family is otherwise eligible for continued occupancy in public housing, the PHA may, at its discretion, defer the family's termination and provide the family an opportunity to comply with the requirement for not more than 60 days if the PHA determines, that:
 - i. The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not reasonably be foreseen and were outside the control of the family; and
 - ii. There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation by the deadline.
- c. If the family is unable to comply with the requirements by the specified deadline, the PHA must terminate the entire family's tenancy.

2. **Family Composition:** A certification from the Head of Household or spouse must be provided that lists all the members who are currently living in the unit. This will generally be sufficient for verification of family composition; however, the PHA reserves the right to request additional verification.

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3. **Income:**

a. All earned and unearned income must be verified through HUD's online UIV/EIV systems at the time of annual reexamination. §5.233

b. When verification through EIV is not possible, the PHA will verify income in the same manner as for applicants. See Part 1, Section F. of these Policies.

c. ~~From March 1, 2013 through March 31, 2016 or later if authorized by HUD,~~ Staff may verify income using HUD's online UIV/EIV systems instead of requiring the resident/participant to submit documentation. If there has been a change in circumstances for a tenant, or a tenant disputes the EIV-reported income information and is unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification.

PHH Notice-
2013-03 &
2013-04

The PHAs will continue to verify income from sources not available in EIV, using the same time period for both wage and non-wage income.

4. **Assets:** If the total value of reported assets is ~~\$5,000~~ \$50,000 or more, their value must be verified in the same manner as applicants' income. See Part 1, Section F. of these Policies. §5.609(a)(2)

The PHA may accept the family's declaration of the amount of assets equal to or less than \$50,000 ~~\$5,000~~, and the amount of income expected to be received from those assets. In such cases the PHAs does not need to request supporting documentation.

PHH Notice-
2013-03 &
2013-04

5. **No Income:** The absence of income will be verified through third-party sources where possible. Participants reporting no income will be required to sign a statement and a corresponding release form certifying that they are receiving no income.

6. **Verification of Disability:** For those tenants claiming a disability status, but who are not receiving Social Security Disability (SSD) benefits or Supplemental Social Security Income (SSI) benefits, a doctor's or other qualified person's certification as to the degree, and possible length of such disability will be required.

D. Streamlined Annual Reexaminations for elderly families and disabled families on fixed incomes.

§
960.257(c)(5)

1. The PHA may conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. The PHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount. ~~This policy is effective from March 1, 2013 until March 31, 2016 or later if extended by HUD.~~
2. For this purpose, the term "fixed income" includes income from:
 - a. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
 - b. Federal, State, local, and private pension plans; and
 - c. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

E. Triennial Recertifications for Elderly and Disabled Families on Fixed Incomes

The PHA may conduct triennial recertifications (at least once every three years) for elderly and disabled families with 90% of their income coming from fixed sources.

F. Over-Income Families: Annual Reexaminations; Time Limits

1. As stated above, a family whose annual income as verified at an annual or interim reexamination exceeds HUD's Very Low Income limit multiplied by a factor of 2.4 (approximately 120% of the Area Median Income), will be designated as an Over Income (OI) household. The PHA will conduct full annual reexaminations on OI households as long as the household's income continues to exceed the OI limit. See II.E. below.
2. If the family's verified annual income exceeds the OI limit for a consecutive 24 month period, the PHA will notify the tenant that their lease will be terminated and they will have to vacate their unit in 90 days.
3. Staff will remind OI households of their OI status and the potential for their lease to be terminated as a result three times: (1) when they are initially identified as an OI household, (2) at the 12 month anniversary of their designation as OI, and (3) at their 24 month anniversary of their designation as OI.

4. **Hardship Extension:** The PHA may extend the lease termination up to a maximum of 6 months if necessary to avoid an extreme hardship on one or more family members, such as the following:
 - a. A change in household composition such that the remaining household members have annual income below OI limit;
 - b. A drop in income due to factors outside of the resident's control, such as place of employment going out of business;
 - c. Disability or serious illness of a household member;
 - d. Death of a household member.
5. Households that have been OI for two consecutive years must vacate at the end of the termination period even if their household composition or income has changed.
6. If the household income drops below the OI limit at any time during the two-year period, the two-year "clock" resets.

IIIIH. Interim Reexaminations

§960.257

~~A. **Required Use of Enterprise Income Verification System (EIV).** The PHA is required to use HUD's online EIV system at each interim recertification, in compliance with all related HUD guidance, to reduce administrative and subsidy payment errors.~~

§960.209(b)
§966.4(c)

B. Special Reexaminations: The PHA may conduct reexaminations more frequently than once a year due to special family circumstances or changes in program regulations, which may affect the Total Tenant Payment. The family's eligibility for continued occupancy will only be redetermined during an annual or specially scheduled reexamination.

C. Unusual Income Situations: The PHA will initiate more frequent reexaminations under the following circumstances:

- ~~11.~~ Adults with **zero income** must have their incomes reexamined at intervals no less than 30 days and no more than 90 days. Those adults must report any increase in income within 10 days.
- ~~22.~~ Adults with **income that cannot be projected with reasonable accuracy** due to its temporary or sporadic nature will have more frequent reexaminations:

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- aa. They will have their incomes reexamined at intervals of no less than 30 days and no more than 90 days.
- bb. The PHA will set a schedule for reexaminations that is appropriate to the family's circumstances.

- 3. ~~If a family has a pattern of seasonal or irregular income that results in reasonably consistent annual income from year to year, as shown by data in HUD's Enterprise Income Verification (EIV) online data system or similar reliable data source(s), the PHA will calculate the family's rent based on that historical data.~~
- 4. ~~A family with a pattern of seasonal income, that does not result in reasonably consistent annual income from year to year, has two options at the time of their annual reexamination:~~
 - a. ~~They may choose to have their rent based on a year round average, using records of recent years' income patterns; or~~
 - b. ~~They may choose to have their rent based upon their lower monthly income during the off season and have their rent adjusted during the period of seasonal employment;~~
 - c. ~~A family may not change their choice between annual certifications.~~

D. Other Interim Reexaminations: Between annual reexaminations, if there are changes in a family's income, household composition, or eligible deductions, an interim reexamination may be conducted. §960.209(b)
§966.4(c)(1)

1. **Family Requests for Reexaminations:** Families paying income-based rent have the choice of requesting an interim reexamination under the following circumstances: §960.257(b)
(b) Interim reexaminations. (1) A family may request an interim reexamination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of an increase in family adjusted income under paragraph (3) of this section. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but generally should not be longer than 30 days after changes in income are reported. Families paying rent based on adjusted income can request in interim reexamination in the following circumstances:

- a. ~~Families choosing rent payment based on adjusted income:~~

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- i.) ~~They experience~~Receive a decrease in income which would result in a rent decrease; or
- ii.) ~~Have~~They have an increase in these eligible allowances or deductions which would result in a rent decrease:
 - (a) An increase in expenses for the care of a child or handicapped member,
 - (b) An increase in permissible deductions and/or expenses due to a change in HUD regulations, or
 - (c) An increase in the number of dependents, or
 - (d) For elderly and disabled? families only, an increase in medical expenses.

b. Families ~~choosing flat rent payment option~~paying flat rent can request in interim reexamination in the following circumstances:

- i.) A financial hardship situation has occurred as described in Part Three, Section II.B.
- ii.) If a household chooses to change from the flat rent option to adjusted income rent calculation, the household may not return to flat rent until the next regular reexamination date for that development.

2. **Circumstances Requiring an Interim Reexamination:** An interim reexamination must be performed when any one of the following circumstances occurs. In these circumstances, all changes in household status and income will be considered in determining Total Tenant Payment:

§5.609(a)(2)
§960.209(b)
§966.4(c)
§966.4(c)(1)

a. **Household Changes.** New persons may not be added to the household without the PHA's prior approval (other than the birth or adoption of a child). Tenants must report all changes in household composition within 10 days of the occurrence involving:

§966.4(a)(2)

- i.) Any addition of an adult member; or
- ii.) The loss of an adult member,
- iii.) The addition of a minor to the household (see Section VII. below and also Part 1. Section II.G. and H. and Part 7, Section III.F).

bb. Increased Income:

Families must report an increase in monthly household income.

An interim rent calculation will only be processed if/when the cumulative increase in unearned gross monthly household income totals 10% or more from the previous rent portion calculation. Interim rent calculations are not processed for increases in earned income except in special circumstances outlined below.

Families paying income-based rent (not flat rent) must report an increase in monthly gross household income of \$1,000 or more. The \$1,000 increase in monthly income is cumulative.

i.) One monthly increase of \$1,000 or more must be reported within 10 days after it is received for the first time.

ii.) If two or more increases occur during the period between annual reexaminations, and the increases together total \$1,000 a month of income that is likely to continue, the changes must be reported within 10 days of the increase that brought the total to the \$1,000 threshold.

e. Exceptions: to Increased Income Threshold

- i.) A household that has been certified as having no income (a zero-income family) must report all income increases, and the rent will be adjusted accordingly.
- ii.) If the household's income increases due to another person joining the family, the rent will be adjusted.

iii) An interim recertification will not be conducted if a household reports an increase in income within three months of their next annual reexamination effective date. In these circumstances, the increase will be accounted for during the annual reexamination.

§ 5.617 Self-sufficiency incentives for persons with disabilities — Disallowance of increase in annual income.

iv) If the household's income (earned and/or unearned) has increased after having reported a decrease in household income since their last annual recertification, or if the household is at zero income, the household must report all increases and the rent will be adjusted accordingly, applying the 10% threshold for interim increases.

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- d. **Change in Earnings Exclusion (Earned Income Disregard):** An interim reexamination must be conducted when the percentage of incremental earnings to be excluded under Part 1, Section III.BC.9-10 or 110, changes from 100% to 50% after 12 months, and when the 50% disregard ends after 24 months.
 - (e) Limitation. This section applies to a family that is receiving the disallowance of earned income under this section on December 31, 2023
 - a. (f) Sunset. This section will lapse on January 1, 2026.

b.a. PHA Error:

- i.) When an error is made by the PHA at admission or reexamination, the tenant is encouraged to report the error to the PHA as soon as they become aware of it so an interim reexamination can be conducted.
- ii.) No retroactive rent increase will be made against the family when the PHA has made an error.
- iii) **De Minimis Errors:** De minimis errors are defined as errors where the PHA's determination of family income varies from the correct income determination by no more than \$30 in monthly adjusted income. The PHA is required to fix errors after becoming aware of them by correcting the certification. When a de minimis error results in the family being overcharged, the PHA must credit or refund the household regardless of the amount. If the error results in the family being undercharged, the family is not required to repay the PHA. In those circumstances the PHA will ensure that the household's account is credited to offset any charges resulting from the corrected certification.

IV. Effective Date of Rent Changes

Once the Tenant Rent is established at the time of reexamination, the rate will remain in effect until the next reexamination, or until an Interim Rent Adjustment is made.

A. Interim Reexaminations.

Increases in rent resulting from required interim redeterminations will be effective the first of the month that begins 30 days after the month in which the change in status actually occurred, provided the increase is reported timely. If the change is not reported timely, any resulting rent increase is retroactive to the first of the month following the date that the change in status occurred.

Decreases in rent resulting from optional interim redeterminations will be effective the first of the month following the date the change in status occurred if reported timely. If not reported timely, the decrease will be implemented no later than the first of the month following completion of the reexamination.

(i) If the family has reported a change in family income or composition in a timely manner according to the owner's policies, the owner must provide the family with 30 days advance notice of any rent increase, and such rent increase will be effective the first day of the month beginning after the end of that 30-day notice period. Rent decreases will be effective on the first day of the first month after the date of the actual change leading to the interim reexamination of family income.

(ii) If the family has failed to report a change in family income or the reexamination, however, rent decreases may be applied retroactively at the discretion of the owner, in accordance with the owner's conditions as established in written policy, and subject to paragraph (c)(5)(iii) of this section.

(iii) A retroactive rent decrease may not be applied by the owner prior to the later of the first of the month following:

(A) The date of the change leading to the interim reexamination of family income; or

(B) The effective date of the family's most recent previous interim or annual reexamination (or initial examination if that was the family's last examination).

AB. Annual Reexaminations: Increases in rent resulting from an annual reexamination will be effective according to a predetermined PHA ACO schedule. Notice of rent increases will be given not less than thirty days prior to the effective date of the change. Rent decreases do not require advance notice.

~~B. **Special and Interim Reexaminations:** Increases or decreases in rent resulting from interim redeterminations will be effective the first of the month that begins at least 30 days after the month in which the change in status actually occurred.~~

~~DC. **Transfers:** See Part Seven. of these Admissions and Occupancy Policies for more information regarding transfer policies.~~

V. Misrepresentation: Any material misrepresentation by the tenant or failure by the tenant to provide complete information, during any reexamination or otherwise, may result in a determination of ineligibility for continued occupancy or a retroactive rent increase or a combination of both. The tenant will be notified in writing of such determination in accordance with Section VI. of this part.

VI. Notice To Ineligible Families

A. PHA Notice: The PHA will give the tenant prompt written notice of a decision that the family has been determined to be ineligible for continued occupancy. The written notice will contain a brief statement of the reasons for the decision. §966.4(e)(8)

B. Grievance Hearing: The notice will state that if the tenant does not agree with the decision, the tenant may request a Grievance Hearing in accordance with the PHA's Grievance Procedure. §966.4(e)(8)(ii)
§966.4(e)(8)(i)
(A)

C. Delivery of Notice of Ineligibility: §966.50

1. Notice shall be sufficient by delivery of a copy to the family in writing or by mailing it to the family at the last address contained in the PHA file, by first class mail, properly addressed, with postage prepaid.
2. "Delivery of a copy" means handing it to the family or leaving it at the premises with a person of suitable age and discretion who lives there.

VII. Adding Members To A Household (Lease-ons)

A. If one or more persons not living in public housing wish to be added to a lease and become members of a household currently living in public housing ("lease-on"), they must apply and meet the same eligibility requirements as other applicants. If the lease-on applicants are determined to be eligible and they can move into the household without exceeding the PHA's occupancy standards, they may be admitted without regard to their position on the public

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housing waiting list. See also Part 1. Section II.G. and H. of these Policies.

B. Social Security Numbers (SSN's) for Lease-Ons.

1. When a resident requests to add a new household member who is at least six years of age or under the age of six- and has an assigned SSN, the resident must disclose the assigned SSN and provide the PHA with documentation. The new household member may not be added until the family provides the documentation.
2. When a resident requests to add a new household member to the family, who is under the age of six and does not have an assigned SSN, the resident must disclose the assigned SSN and provide the PHA with documentation within 90 calendar days of the child being added to the household.
3. If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the requirement, if the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family (for example, SSA delay, natural disaster, fire, death in the family, etc.).
4. If the family has not complied with the SSN disclosure and documentation requirements by the end of the time extension, the PHA must terminate the family's tenancy.

VIII. Continued Occupancy and Community Service

24 CFR
§960.600; PIH
2003-17 (HA)
PIH 2009-48;
PIH 2015-12;

A. General:

In order to be eligible for continued occupancy, each adult family member must either:

1. Contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or
2. Participate in an economic self-sufficiency program for eight hours each month.

B. Exemptions:

The following adult family members of tenant families are exempt from this requirement.

1. Family members who are age 62 or older.

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2. Family members who are blind or disabled and who certify that they are unable to comply with this service requirement because of their disability.
3. Family members who are the primary caregiver for someone who is blind or disabled and who certify that they are unable to comply with this service requirement because of their care giving responsibilities.
4. Family members engaged in work activity for at least 10 hours a week, which includes the following:
 - a. Unsubsidized Employment;
 - b. Subsidized private-sector employment;
 - c. Subsidized public-sector employment;
 - d. Work experience if sufficient private sector employment is not available;
 - e. On-the-job training;
 - f. Job-search and job-readiness assistance;
 - g. Community service programs; including;
 - h. Vocational educational training
 - i. Job-skills training;
 - j. Education, including GED, secondary school, post-secondary and vocational training; citizenship classes, ESL, adult basic education and similar activities;
 - k. Activities to remove barriers to employment, including treatment for chemical dependency or mental health issues, parenting education and similar activities;
 - l. Providing childcare services to an individual who is participating in a community service program.
5. Family members who are exempt from work activity under Part A. Title IV. Of the Social Security Act or under any other state welfare program, including MFIP or any other welfare-to-work program.
6. A member of a family receiving assistance, benefits or services under a State program funded under Part A. Title IV. of the

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Social Security Act, MFIP or under any other welfare program of the State, including the Supplemental Nutrition Assistance Program (“SNAP”; Food Stamps), or a State-funded Welfare-to-Work program, and who has not been found by the State or other administering entity to be in non-compliance with that program.

C. Notification of the Requirement:

1. The PHA shall identify all adult family members who are apparently not exempt from the community service requirement.
2. The PHA shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. The PHA shall verify such claims.
3. The notification will also advise them that failure to comply with the community service requirement may result in ineligibility for continued occupancy at the time of a subsequent annual reexamination.

D. Volunteer Opportunities:

1. Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community.
2. An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready to participant to work (such as substance abuse or mental health treatment).
3. The PHA will coordinate with Resident Councils, social service agencies, local schools, and other public and private agencies in identifying a list of volunteer community service positions. Individual residents may suggest other volunteer community service options.

E. The Process:

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At each annual (flat rents, too) reexamination, the PHA will do the following:

1. Provide a list of volunteer opportunities to the family members.
2. Provide information about obtaining suitable volunteer positions.
3. Provide a volunteer timesheet to the family member.
4. At least thirty (30) days before the family's next lease anniversary date, the PHA will determine whether each applicable adult family member is in compliance with the community service requirement.
5. At each regularly scheduled rent re-examination, each non-exempt family member must provide a signed certification (on a PHA form) of their community service activities performed over the previous twelve (12) months.
6. The PHA obtains third-party verification of community service completion administered through outside organizations, using a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed.
7. The PHA may ask the resident to provide additional supporting documentation to verify community service participation or exempt status.
8. The PHA retains all community service documentation in the tenant file.

F. Notification of Non-Compliance With Community Service Requirement:

The PHA will notify any family found to be in non-compliance. The notice will include the following:

1. A statement that the family member(s) has been determined to be in non-compliance; with a brief description of the finding;
2. A statement that the PHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. A written work-out agreement must

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include the means through which a noncompliant family member will comply with the community service requirement.

3. A statement that the tenant may request a grievance hearing on the PHA determination and may exercise any available judicial remedy.

G. Enforcement;

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, the PHA is required to initiate proceedings to terminate the tenancy at the end of the current 12-month lease due to the fact that the family is failing to comply with lease requirements.

IX. Disclosure of Income Verification Information

Sec. 508(d) of
1998 Housing
Act

- A. HUD will periodically verify income reported by PHA residents by comparing it with records maintained by other government agencies. HUD will notify the family if HUD finds an apparent discrepancy in reported income.
- B. If a family living in public housing receives information from HUD regarding their income, earnings, wages or unemployment compensation, obtained from HUD's income verification procedures, the family must report such information to the PHA within 10 working days of receiving it.

X. Debts Owed to the PHA; Payment Agreements

- A. The following policies apply to any monies owed to the PHA by current public housing residents.
- B. When a resident owes money to the PHA, the PHA may either require the resident to repay that amount in full, or require the resident to enter into a Payment Agreement as a condition of continued occupancy.
 1. To be eligible to enter into a Payment Agreement, the resident must first demonstrate to the satisfaction of the PHA that they cannot pay the debt in full.

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2. Payment Agreements require a minimum payment of \$25 a month on each claim for monies owed until the balance owed is paid in full.
3. The Payment Agreement shall require payment in full of the balance owing within twelve months, absent extraordinary circumstances.

C. Consequences of Default on Payment Agreement:

§960.205(b)(1)

1. If the resident does not meet the agreed-upon terms of a Payment Agreement, the resident will be subject to termination of the Dwelling Lease in accordance with Part 9.
2. The PHA may file a claim for repayment under the Minnesota Revenue Recapture Act.

Part One: Eligibility For Admission

I. Overview

Only families and individuals who meet program eligibility requirements can live in public housing. The following factors determine whether an applicant is eligible:

Refer to:
24CFR
§5.403

A. Family Status Requirement: “Family” includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A single person, who may be an elderly person, displaced person, disable person, near-elderly person, or any other single person; or
2. A group of person residing together, and such group includes, but is not limited to:
 - a. An elderly family;
 - b. A near-elderly family;
 - c. A disabled family;
 - d. A displaced family;
 - e. The remaining member of a tenant family; and

B. Adult Head of Household: The head of household must be age eighteen or older.

B. Economic and Non-Economic Requirements: The applicant family or individual must meet the PHA’s economic and non-economic eligibility requirements, as detailed in Sections III. -V. of this Part.7

D. Social Security Number Requirement: The applicant must provide the Social Security Number (SSN) and valid Social Security card (or other acceptable documentation) for all family members unless one of the exceptions stated in HUD regulations applies.

§5.216;

Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA, should make such

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declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.

E. Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.

1. Unless one of the exceptions stated in HUD regulations applies, the PHA must deny the eligibility of an applicant if he or she (including each member of the household who is required to disclose his/her SSN) does not disclose a SSN and/or provide the required documentation for the SSN.
2. However, if the family is otherwise eligible for admission to public housing, the family may maintain its position on the waiting list for not more than 60 days after it is found to meet all other eligibility requirements.

F. United States Citizenship Status Requirements:

1. An applicant who is a citizen must sign a declaration of U.S. citizenship. §5.500
§5.508
2. Applicants who are age 62 or older who are non-citizens must sign a declaration of eligible immigration status and submit a proof-of-age document. §5.508
3. Other non-citizen applicants must sign a declaration of eligible immigration status, a signed verification consent form, and U.S. Immigration and Nationalization Service forms to establish their eligibility for public housing. (The PHA is not able to provide assistance to non-eligible immigrants).

G. Income Limits: The applicant family or individual must meet income requirements. §5.609

1. The family's annual income anticipated for the next twelve months must be at or below the current income limit set for low income families. This income limit is based upon 80% of the median income for the area.
2. The PHA examines the current family income and projects it forward for the next twelve months to calculate anticipated annual income. A period of less than twelve months may be used if the family's source of income is temporary or unusual, and which will not likely recur in the next twelve months. No deductions or allowances are subtracted from the total annual income in determining the family's eligibility for the program. §5.609

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3. The income limit restrictions do not apply to a family already living in public housing. The family will not be required to move out if their income exceeds the current income limit.

2023 Income Limits Summary

Income Limits for Public Housing In 2023	
Area Median Income \$124,900	
Household Size	Low Income (80% of Median)
1 Person	\$66,300
2 Person	\$75,750
3 Person	\$85,200
4 Person	<i>\$94,650</i>
5 Person	\$102,250
6 Person	\$109,800
7 Person	\$117,400
8 Person	\$124,950

Effective 5/15/2023

H. Restrictions based on net assets and property ownership. A family is not eligible for assistance if their net assets (as defined in § 5.603) exceed \$100,000 either initially or upon reexamination of family income, or if the applicant family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a piece of real property that is suitable for occupancy by the family as a residence (based on laws of the state or locality in which the property is located).

II. The Waiting List

§960.206

A. Overview:

1. Households must complete an application to participate in the public housing program.
2. The PHA makes an initial eligibility determination based upon information in the household's application.
3. Eligible applicants are then put on a waiting list for admission that uses the date and time of application and preference factors to determine priority of placement.

4. If a waiting list lottery is conducted, the application date and time for all applications received during the first week the waiting list is open is randomized within that period.
- B. When Applications Are Taken:** Applications for public housing are taken at all times unless, in the judgment of the PHA, it should close the waiting list because it has a sufficient number of applicants it can serve in a reasonable period of time.
- C. Updating the Waiting List:** No less than annually, the PHA will update the waiting list and remove the names of those applicants who are no longer interested in public housing, who no longer qualify, or who cannot be reached by any available means of communication that has been provided by the applicant.
- D. Reinstatement to [Public Housing] Waiting List After Cancellation During Waiting List Updates:** After the PHA cancels an application when the waiting list is updated, because the applicant could not be reached by any available means of communication that has been provided by the applicant, the applicant can be reinstated to the same place on the waiting list only if he or she contacts the PHA in writing (including using the PHA's online applicant portal) within 60 days after the cancellation date. The applicant will be reinstated to the same place on the waiting list.
- E. Reinstatement to Waiting List After Cancellation During the Eligibility Determination Process.**
1. **1. Cancellation Due to Missed Appointments:** The PHA will remove an applicant from the waiting list (that is, cancel the application) if he or she fails to attend a scheduled appointment.
 - a. The applicant will be reinstated to the same place on the waiting list only if he or she contacts the PHA within 60 days from the date of the cancellation. After 60 days beyond the cancellation date, the applicant may reapply if the waiting list is open.
 - b. If an applicant contacts the PHA within 60 days after cancellation due to a missed appointment and the PHA schedules a new appointment, and then the applicant fails to attend the second appointment, the PHA will cancel the application and will not reinstate it again. In that event the applicant may reapply 60 days or more after the date of the second cancellation if the waiting list is open.

2. Cancellation for Failure to Provide Required

Documentation: The PHA will remove an applicant from the waiting list (that is, cancel the application) if the applicant fails to provide documentation required to determine program eligibility. Before canceling the application, the PHA will send the applicant a notice listing what information is required and stating that the application will be canceled if the applicant does not provide the information by the deadline stated in the notice. If the applicant does not provide the required information within the time allowed, the PHA will send a second letter stating that the application has been canceled. That letter will also give the applicant 15 business days from the date of the letter to provide the required information to the PHA. If the applicant does not provide the information within that time period, the application will remain canceled. In that event, the applicant may reapply after 60 days of being canceled, if the waiting list is open.

3. Voluntary Cancellation: The PHA will cancel an application at the request of an applicant, either before or during the eligibility determination process. After a voluntary cancellation, applicants will be reinstated to their previous place on the list only if they contact the PHA in writing within 60 days from the date of cancellation. After 60 days the applicant may reapply if the waiting list is open.

F. Closing and Opening the Waiting List: Before suspending or resuming taking applications, the PHA will issue a public announcement. The announcement will be published in local newspapers at least two weeks before the waiting list is closed or opened.

G. Household Splits; Lease-Ons:

1. If one or more members of a household currently living in public housing wish to move into a separate unit, they must apply, be placed on the public housing waiting list according to their date of application, and meet the same eligibility requirements as other applicants. The PHA may approve a transfer in accordance with Part 7, Section III. E.
2. If one or more persons not living in public housing want to be added to a lease and become members of a household currently living in public housing (“lease-on”), they must apply and meet the same eligibility requirements as other applicants. If the lease-on applicants are determined to be eligible and they can move into the household without

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exceeding the PHA's occupancy standards, they may be admitted without regard to their position on the public housing waiting list. See Part 7, Section III.F.5. Transfers to Comply With Occupancy Standards. See also Part 6. VII. Adding Members to a Household (Lease-Ons)

- a. **Housing History for Lease-Ons.** When an adult who is not a member of a current resident's household applies to be added to the household's lease (lease-on), the PHA may, in its discretion, approve the lease-on under the following conditions:
 - i. The applicant's available, verifiable housing history must be satisfactory.
 - ii. The household's current resident(s) must have been a tenant or tenants in good standing for at least twelve months.
 - iii. The person applying to be added to the lease must not have been living in a PHA unit as an unauthorized person.
 - iv. All adult members of the household, including the person applying to be added to the lease, must sign a lease addendum agreeing that the PHA may terminate the entire household's lease if the person who is added to the lease commits any criminal activity or other serious violation of the lease during the twelve months after the lease-on is approved.
 - v. Neither the person added to the household by leasing on, nor other members of the household, will be approved to transfer to another PHA unit (a household split) until after twelve months from the effective date of the lease-on.
 - vi. The person added to the household by leasing on will not be permitted to stay in the unit as the head of household (remaining household member) if the other member(s) of the household move out within twelve months after the effective date of the lease-on.
3. Marriage does not automatically result in the spouse being added to the lease. A spouse will be subject to the same economic and non-economic requirements for admission as other lease-on applicants.

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4. Live-in aides/care attendants must meet non-economic screening standards.

H. Lease-Ons; Adding Minors to a Household in Public Housing:

The PHA may approve a head of household's request to add (lease-on) a minor to the household if the head of household or another adult household member proves that he or she has legal custody of the minor, by providing one of the following documents:

1. Birth certificate showing that the adult household member is the biological parent of the minor
2. Legal proof of adoption
3. Court order awarding custody
4. Written Delegation of Parental Authority, under Minnesota Statutes Section 524.5.211.

NOTE: A Delegation of Parental Authority, under the statute, is a temporary delegation of authority from a parent of a child to another adult, valid for up to one year. It should be reviewed annually and may be renewed.

Assets	
Table 1-2:	
A. Assets Include:	B. Assets Do Not Include:
<ol style="list-style-type: none"> 1. Amounts in savings accounts and six- or twelve –month average (whichever bank provides) balance for checking accounts. If a bank does not provide a 6 or 12- month average for checking accounts, the current balance will be used. 2. Stocks, bonds, savings certificates, money market funds and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset <u>and</u> reasonable costs (<i>such as broker fees</i>) that would be incurred in selling the asset. 4. The cash value of trusts that are available to the household. 5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty. 6. Contributions to company retirement/ pension funds that can be withdrawn without retiring or terminating employment. 7. Assets, which, although owned by more than one person, allow unrestricted access by the applicant. 8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims, deferred SSI and Social Security payments paid in a lump sum. 9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. 10. Cash value of life insurance policies. 11. Assets disposed of for less than fair market value during two years preceding certification or recertification. 	<ol style="list-style-type: none"> (i) The value of necessary items of personal property; (ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code,

the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.

- (vii) Interests in Indian trust land;
- (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;
- (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;
- (x) Family Self-Sufficiency Accounts; and
- (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(xii) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

1. .

Counts as Income:

1. Actual income from assets if total assets are \$50,000 or less;
2. If assets are more than \$50,000, the actual income from assets, or, if actual income cannot be calculated,

Total assets x Passbook Savings Rate established by the PHA in accordance with HUD guidelines.

III. Calculating Annual Income

A. Annual Income: Annual income includes, with respect to the family:

- (1) All amounts not specifically excluded in 24 CFR § 5.609, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
- (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

B. Calculating Income. The PHA must calculate family income as follows:

- (1) Initial occupancy or assistance and interim reexaminations. The PHA must estimate the income of the family for the upcoming 12-month period:
 - (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
 - (ii) To determine family income for an interim reexamination of family income.
- (2) Annual Reexaminations.
 - (i) The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination.
 - (ii) In determining the income of the family for the previous 12-month period, the PHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.
 - (iii) The PHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.
- (3) Use of other programs' determination of income.
 - (i) The PHA may determine the family's income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means tested forms of Federal public assistance:
 - (A) The Temporary Assistance for Needy Families block grant.
 - (B) Medicaid.

- (C) The Supplemental Nutrition Assistance Program.
 - (D) The Earned Income Tax Credit.
 - (E) The Low-Income Housing Credit.
 - (F) The Special Supplemental Nutrition Program for Woman, Infants, and Children
 - (G) Supplemental Security Income.
 - (H) Other programs administered by the Secretary.
 - (I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.
 - (J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through a Federal Register notice.
- (ii) The PHA must obtain the annual income determination for other means-tested public assistance using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA must calculate annual income in accordance with 24 CFR part 5, subpart F.

C. Annual Income Does Not Include:

1. Amounts specifically excluded in 24 CFR § 5.609

2. **Certain earnings disregarded:** The incremental earnings due to employment during a consecutive 12-month period following date of the initial hire shall be excluded.
This exclusion is available only to families that were eligible for and participating in the Earned Income Disregard (EID) program, and receiving the disallowance of earned income under this section on December 31, 2023. This section will lapse on January 1, 2026.

3. **Eligible families include the following:**
 - a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.

 - b. Families whose income increases during the participation of a family member in any family self-sufficiency program or other job-training program.

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- c. Families who are or were, within six months, assisted under MFIP or another state TANF Program.
- d. This provision applies when an eligible adult begins employment on or after October 1, 1999, while a resident of public housing.

(While HUD regulations allow for the PHA to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of this PHA to provide the exclusion in all cases.)

Further earnings disregarded: In the case of a family who has qualified for the earned income exclusion explained above, upon the expiration of the 12-month period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the rent increase due to the earned income will be capped at 50 percent of the rent increase the family would have otherwise received.

§5.609

IV. Verifying Applicants' Statements And Incomes

A. Overview:

- 1. Applicants shall be required to furnish proof of their statements when requested by the PHA. See Section V. 24 CFR §5.233
- 2. All determinations will be fully documented in the files. §960.259(c)(1)

PIH 2010-19

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3. The PHA will utilize HUD's online "Upfront Income Verification" and "Enterprise Income Verification" (UIV/EIV) systems to the greatest extent feasible to verify employment income and other eligibility information for all applicants and residents.

B. Documentation from Applicant: Applicants are required to submit documentation to the PHA to verify statements related to program eligibility.

C. Applicant Releases: Applicants are required to sign release forms that authorize necessary third party verifications that include, but are not limited to, income and assets. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or third party documentation provided by the applicant, the applicant will not be required to sign release forms for those income sources.

D. Use of Confidential Information/Data Practices: Information that is obtained directly from applicants, or from those persons authorized by the applicant, will be used or disclosed only for purposes relating directly to the administration of the Public Housing Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

E. Family Composition and Residency: Certification by applicants will normally be considered sufficient verification of family composition and residence as provided by the applicant's signature on the application. However, the PHA reserves the right to request additional verification.

F. Income: Except as stated below, all earned and unearned income must be verified at the time of admission through third parties.

1. Written Third Party Verification. To the greatest extent feasible, income should be verified through acceptable documents that are generated by third parties, but are in the possession of and provided by the applicant.
2. Verification Forms. If the applicant cannot provide acceptable third party documentation, the PHA may obtain the required verifications using forms sent to the third parties (employers, etc.).

24 CFR §5.233
§960.259(c)(1)
PIH 2010-19

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3. Oral Third Party Verification. If neither form of written verification can be obtained, the PHA may verify income information by contacting the income source(s) via telephone or in-person visit.
4. Tenant Declaration. If none of the forms of third party verification listed above can be obtained, the PHA may at its discretion accept an affidavit or notarized statement by the applicant of reported income, Staff must document in the family's file the reason(s) why third party verification was not available.
5. Within 90 days after the applicant is admitted to public housing, the family's earned income must be verified through HUD's online UIV/EIV systems.
6. Safe Harbor" Verifications. The PHA will accept verification from any means-tested program permitted by HUD, which includes but is not limited to income calculations from the following:
 - a. Temporary Assistance for Needy Families block grant (TANF),
 - b. Medicaid,
 - c. Supplemental Nutrition Assistance Program (SNAP),
 - d. Earned Income Tax Credit,
 - e. Low-Income Housing Tax Credit (LIHTC),
 - f. Special Supplemental Nutrition for Woman, Infants, and Children (WIC) and
 - g. Supplemental Security Income (SSI).

This verification must include the tenant's family size and composition and state the family's annual income. The verification must also be dated within the time frame specified for the type of verification, including within the previous 12-month period for purposes of the specified means-tested form.

G. Assets: If the total value of reported assets is \$50,000 or more, their value must be verified in the same manner as income (see above). The PHA may accept the applicant's declaration of the amount of assets equal to or less than \$50,000, and the amount of income expected to be received from those assets. In such cases the PHA must verify the information at least every three years.

H. No Income: The absence of income will be verified through third parties where possible. Applicants reporting no income will be required to sign a statement certifying that they are receiving no income.

- I. **Misrepresentation:** Any material misrepresentation on the part of an applicant revealed through the application process or otherwise, may result in a determination of ineligibility. The applicant shall be notified in writing of such determination by the PHA, and shall be given the opportunity to request an informal hearing of the matter.

V. Non-Economic Qualifications For Admission

A. Overview:

- 1. **Lease Compliance:** Applicants must be able to demonstrate the ability and willingness to comply with the terms of the PHA's lease either alone or with assistance at the time of their admission to public housing. The PHA will deny admission to any applicant whose habits and practices reasonably may be expected to have a detrimental effect on other tenants, on the development environment, or on the financial stability of the PHA's Public Housing Program. §960.203
- 2. **Information Sources:** The PHA will rely upon sources of information which may include, but are not limited to, PHA records, personal interviews with the applicant or tenant, home visits, credit checks, criminal and court records or police departments' records, references from previous and current landlords (or agents), employers, family, social workers, parole/probation officers, drug treatment centers and detoxification centers. §960.206
- 3. **Lack of Information and Applicant's Responsibility:** It is the applicant's responsibility to provide all requested non-economic eligibility information, and to ensure that all requested verifications of such information are received by the PHA. An application file lacking these verifications will be considered incomplete and cannot be approved.
 - a. **Housing history:** The PHA requires the applicant to provide addresses of all places where the applicant has lived in the last three years, both to check for possible criminal history records in those jurisdictions, and to contact property owners and/or other credible sources who may verify that the applicant resided there, and who may provide evidence as to the applicant's ability and willingness to comply with the PHA's lease requirements.
 - b. **Application denied or suspended for lack of housing history:** An applicant who does not provide the required

length of verifiable housing history will be denied admission. However, at the discretion of the PHA, the PHA may offer to suspend the application for a specific period of time that will depend on the facts and circumstances under consideration, to allow the applicant to increase the length of verifiable housing history. If the applicant declines to accept the suspension option, the PHA will deny the application. If the applicant agrees to the suspension, then when the suspension period ends, the PHA will resume determining the applicant's eligibility, which may mean re-verifying eligibility factors that were verified previously.

4. **Restricting Reapplication/Readmission:** For a period of one year from the date of any of the following actions the PHA will not accept public housing applications from or readmit a family or individual who:
- a. has been denied admission to public housing;
 - b. has been evicted from PHA owned property for cause or non-payment of rent;
 - c. has voluntarily terminated their tenancy with the PHA to avoid eviction;
 - d. has been formally barred ("trespassed") from PHA property; and/or
 - e. has engaged in or threatened abusive or violent behavior toward PHA personnel.

Use of this restriction is subject to any mitigating circumstances that an applicant may present. (See Section C., Mitigating Circumstances.)

See also Part 1, Section 1.E.

- B. Basis for Denial of Admission:** A record or history of any of the following may be sufficient cause for the PHA to deny admission to the household:
1. **Inability or failure to provide required verifiable economic and non-economic eligibility information;**
 2. **Inability to comply with the lease without supportive services from PHA staff** that would require an alteration in the fundamental nature of the public housing program;

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3. **Non-payment** of rightful obligations, including rent and utilities;
4. **Disturbance** of neighbors;
5. **Destruction** of property;
6. **Poor living or housekeeping habits**;
7. Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to public housing for a three-year period beginning on the date of such eviction.
8. A history of or current record of **criminal activity** involving crimes of **physical violence** to persons or property or a history of other criminal acts, conduct or behavior which would adversely affect the health, safety or welfare of other tenants, neighbors or PHA employees. See also Section 15, below, Registered Sexual Offenders.
9. A history of or current record of **drug-related criminal activity** by the applicant, any member of the applicant's household, or a guest or other person under the applicant's control.

Housing
Opportunity
Program
Extension Act of
1996
§960.205

1998 Housing
Act §578

For purposes of these Policies, **“criminal activity” includes**, but is not limited to, **intentional conduct that is forbidden by and punishable under Minnesota law**, even though such conduct may be neither reported to a law enforcement agency nor prosecuted. Such conduct includes, but is not limited to, acts of physical violence or the threat of such acts. Neither proof beyond a reasonable doubt nor conviction in a court of law is necessary to establish whether an applicant or resident has engaged in criminal activity that amounts to a violation of the terms of the dwelling lease.

10. A history of, or current **violation of, the terms and conditions of a lease or occupancy agreement**.
11. An applicant's **misrepresentation of any information** related to eligibility, award of preference for admission, allowances, family composition or rent.
12. A history of, or current conduct by a household member apparently caused by **substance abuse of alcohol or drugs, that would be a violation of the terms of the dwelling lease**,

1998 Housing
Act §575-577

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

and an indication that such conduct is likely to continue and adversely affect the residential development environment.

- a. A determination by the PHA that an applicant is illegally using a controlled substance;
 - b. A determination by the PHA that there is reasonable cause to believe that an applicant abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
 - c. A determination by the PHA that there is reasonable cause to believe that the applicant's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
13. A committing of **fraud** by a household member in connection with **any federal housing assistance program**.
14. Any member of the household who currently **owes rent or other amounts to the PHA or to another PHA** in connection with the Public Housing or Section 8 Programs.
- a. Prior to their re-admission to public housing, former public housing residents and Section 8 participants shall pay or make arrangements to pay all sums owed to the PHA or another PHA.
 - b. Payment Agreements may be executed with the applicants who are otherwise program eligible and who have demonstrated to the PHA's satisfaction that they do not have the present ability to pay the entire amount. See also Part 2, Section IV. of these Policies.
15. Registered Sex Offenders. The PHA must deny admission or terminate the lease of any resident who is subject to a lifetime registration requirement under any state's **sex offender registration** program.
16. Persons convicted of methamphetamine manufacture or production. The PHA must permanently deny admission of any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing.

24 CFR Sec.
960.204(a)(4)
(5/24/2001
Fed.Reg.)

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

17. For a period of one year from the date of any of the following actions the PHA will not accept public housing applications from or readmit a family or individual who:

- a. Was denied admission to public housing;
- b. Was evicted from PHA owned property for cause or non-payment of rent;
- c. Voluntarily terminated tenancy with the PHA to avoid eviction;
- d. Was formally barred from entering one or more PHA properties under a “no trespass order”; and/or
- e. Engaged in or threatened abusive or violent behavior toward PHA personnel.

18. Victim of Domestic Violence. The PHA will not deny a qualified applicant admission solely because the applicant is a victim of domestic violence, dating violence or stalking. The PHA may require an applicant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix K, VAWA Policy)

19. The PHA may deny admission to an applicant who is or claims to be a victim of such domestic violence, dating violence or stalking if the applicant fails or refuses to provide a signed certification or other documentation as evidence of the domestic violence, dating violence or stalking within 14 business days after being asked to do so. (See Appendix K, VAWA Policy)

C. Mitigating Circumstances: In the event the PHA receives unfavorable information with respect to an applicant which will likely cause the PHA to deny them admission, consideration shall be given to the time, nature and extent of the applicant's or a household member's conduct, and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

§960.205(d)

1. Mitigating circumstances might include, but are not limited to:
 - a. Evidence of **successful rehabilitation**;

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

- b. Evidence of the applicant family's participation in or willingness to **participate in social service or other appropriate counseling**;
 - c. Evidence of **successful modification** of previous disqualifying behavior.
2. The PHA's primary mission is to provide housing. The PHA is under no obligation to locate or provide services to public housing applicants or tenants. However, on a case-by-case basis, the PHA may consider admitting an applicant or continuing the tenancy of a resident who agrees to accept support services necessary to comply with the terms of the PHA Lease.
- a. The necessary support services may be provided by an agency **established to provide such service or by an individual** willing to accept responsibility for providing the necessary service.
 - b. **Payment for services** is not the responsibility of the PHA.
 - c. The PHA has the **right to approve or reject** the agency or individual agreeing to provide the necessary support services.
 - d. Some, but not all, of the **lease compliant functions** an agency or individual may assist an applicant or resident to perform are:
 - (1) Rent and utility payments;
 - (2) Cleaning/housekeeping;
 - (3) Rule compliance; and
 - (4) Avoiding disturbances.
- D. Reasonable Accommodation:** Applicants who are known to have a disability or handicap and have been determined eligible but who fail to meet the non-economic selection criteria will be offered an opportunity to have their cases examined to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed. The PHA is under no obligation to locate or provide social services or care attendants to any applicant or resident. (See Appendix G.)

VI. Notice to Ineligible Families

- A. **Notice to Applicants:** The PHA will give an applicant prompt written notice of a decision denying their eligibility.

- B. **Informal Hearing:** The notice shall also state that applicants may request an informal hearing on the decision and shall describe how to obtain the informal hearing. Applicants may object if they believe the information the PHA received was erroneous or untimely. Informal hearings shall be conducted by the PHA Resident Hearing Committee.

See Part 2., Section VIII. for information about the required notice regarding ineligibility for a Local Preference.

Part Three: Rent Calculations

I. OVERVIEW

The amount of rent paid by public housing residents is based either on income or on the PHA's flat rent.

Refer to:
24 CFR
960.253

II. FLAT RENT: At admission and each year at the time of their annual reexamination, each household is given the choice of having their rent determined based on **adjusted household income** or having their rent set at the **flat rent** amount.

A. Flat Rent Determination:

1. The PHA is required to set a flat rent for each public housing unit based on the size of the unit and the approximate market rental value compared to Fair Market Rents (FMRs). The following flat rents have been in effect since April 1, 2018:

Flat Rents eff. April 1, 2018	2BR	3BR	4BR	5BR	6BR
Scattered Sites	\$1,089	\$1,547	\$1,812	\$2,083	\$2,355

2. The PHA posts the flat rents on its website and at each of the developments and at the Central Administrative Office and the Rental Office at 555 N. Wabasha Street, St. Paul, Minnesota.
3. Utility Allowances for Flat Rent payers: The utility allowance for the specific unit is subtracted from the flat rent, to determine the rent amount payable to the PHA.
4. Annual Recertifications Required: Residents who choose the flat rent option still have to complete an Annual Application for Continued Occupancy (ACO) every year.

B. Reverting from Flat Rent to Income-Based Rent:

Households who choose the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:

1. The household's income has decreased.
2. The household's circumstances have changed, increasing their expenses for childcare, medical care, transportation, education, etc.
3. Other circumstances creating a hardship on the household such that the formula method would be more financially feasible for the household.

III. RENT BASED ON ADJUSTED HOUSEHOLD INCOME

§5.611

Adjusted Household Income is annual income minus allowances for dependents and certain expenses to care for children and household members with a disability. Elderly and disabled households have an additional allowance and may also have deductions for certain medical expenses.

A. Calculation of Rent Based on Income: In calculating the income-based rent of public housing residents, the PHA must use a formula, called a **Total Tenant Payment**, commonly abbreviated as "TTP." Adjusted monthly income is one of the factors in the formula.

B. Income-Based Formula for Calculating TTP: TTP is the **highest** payment resulting from the following options (#1-4).

<p style="text-align: center;">Total Tenant Payment For Income-Based Rents</p>

- | |
|--|
| <ol style="list-style-type: none">1. 10% of total Gross Monthly Household Income.
OR2. 30% of total Monthly Adjusted Household Income.
OR3. If a household receives assistance under the Minnesota Supplemental Assistance program (MSA), that portion designated for shelter and utility costs.
OR4. \$50 minimum rent. |
|--|

C. Gross Monthly Household Income is calculated by: §5.609

1. Determining the annual income (*as defined in Part 1 of this document*), and
2. Dividing it by twelve.

D. Monthly Adjusted Household Income is calculated by: §5.611

1. Determining the annual income (*as defined in Part 1 of this document*),
2. Adjusting it by subtracting the deductions shown below; and
3. Dividing it by twelve.

**Annual Deductions
Available To All Households**

\$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

§5.611

- Reasonable **child care expenses** for household members under the age 13 that enable a household member to have paid employment or go to school.
- **Disability assistance expenses** in excess of 10% of annual gross income for the care of a family member with a disability that enables that person or another household member to have paid employment.

**Annual Deductions Available To
Elderly and Disabled Households Only**

- \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

The sum of the following, to the extent the sum exceeds 10% of annual income:

- (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
- (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined 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.

E. Deductions and Related Definitions:

1. An “**elderly household**” is a family whose head or spouse, or only member, is at least age 62, or who is a person with a disability or a handicap.

§5.403
42 U.S.C.
1437 a(b)

2. A “**dependent**” is:
 - a. A person who is under 18 years of age, or;
 - b. A person with a disability, or;

§5.603

- c. A full-time student who is over age 18 and is a member of the household. They are considered a member of the household if they live in the household during the school term. They must carry a full-time subject load at an educational institution with a degree or certification program. The institution defines what is a full-time subject load.

(1) **The definition “dependent” does not include:**

- (a) The family head or spouse;
- (b) Foster children; or
- (c) Foster adults.

3. A **“person with a disability”** is someone with disabilities as defined in **42 U.S.C. §423** or who has developmental disabilities as defined in 42 U.S.C. §6001(7). The following is a summary of these requirements:

42 U.S.C.
1437 a(b)

- a. Section 423 defines a disability as an inability to be employed due to:

- (1) Any physical or mental impairment that is expected to last continuously for the next 12 months or is expected to be fatal.
- (2) If a person over age 55 is blind, their blindness must prevent them from substantial employment comparable to what they did previously when they had eyesight.

- b. Section 6001 (7) defines developmental disability as a:

- (1) Severe chronic condition that is due to a mental or physical impairment, or combination of both, which
 - Was evident before the person was age 22,
 - Is likely to continue indefinitely, and
 - Results in substantial functional limitations.

5.611

4. *Child care expenses.* Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect

§5.603

reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

5. **Disability assistance expenses.**

§5.603

Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

c. The amount deducted cannot exceed the employment income received by family members, who are at least age 18, as a result of the assistance to the person with a disability.

6. **Health and Medical Care expenses** are any unreimbursed costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

7. **Hardship Exemptions**

- **Hardship Exemption for Health and Medical Care Expenses**
For families that are receiving the 3% unreimbursed health and medical care expense and reasonable attendant care and/or auxiliary apparatus expense deduction as of January 1, 2024 annual reexaminations beginning after January 1, 2024 will the threshold increased to 5 percent the first year, 7.5 percent second year, and reaching the new statutory standard of 10 percent in the third year.
- **Additional Hardship Relief:** If an elderly family or a family with disabilities demonstrates that it is experiencing a financial

hardship, because the family's applicable health and medical expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances (as defined by the PHA) that would otherwise trigger an interim reexamination, the family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.

- The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable after 90 days, whichever comes earlier.
- This hardship relief can be extended for additional 90-day periods at the discretion of the PHA based on the family's circumstances or terminated if the PHA determines that the family no longer needs the exemption.

- Hardship exemption for Childcare expenses: Household member become ineligible for the child care expense deduction (for example, because child care is no longer necessary to enable a member of the family to be employed or to further his or her education) can request a hardship exemption to retain the childcare expense deduction for 90 days if they can demonstrate that they would be unable to pay rent due to loss of the deduction.

IV. MINIMUM RENT PAYMENT; WAIVER BASED ON §5.630

HARDSHIP: The PHA has set the minimum rent at \$50. However, if the family requests a hardship exemption, the PHA will immediately suspend the minimum rent for the family until the PHA can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature. It is the family's responsibility to provide the information supporting the claimed hardship.

A. A hardship exists in the following circumstances:

1. When the family has lost eligibility for or is waiting for an eligibility determination for a federal, state, or local assistance program;
2. When the family would be evicted as a result of the imposition of the minimum rent requirement;
3. When the income of the family has decreased because of changed circumstances, including loss of employment.
4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
5. When a death has occurred in the family.

- B. No hardship:** If the PHA determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension. The PHA will offer the family an opportunity to sign a Payment Agreement for any rent not paid during the period of suspension. During the suspension period the PHA will not evict the family for non-payment of the amount of tenant rent owed for the suspension period.
- C. Temporary hardship:** If the PHA reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The PHA will offer the family an opportunity to sign a Payment Agreement for any rent not paid during the period of suspension. During the suspension period the PHA will not evict the family for non-payment of the amount of tenant rent owed for the suspension period.
- D. Long-term hardship:** If the PHA determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists. The family must verify the continuation of the hardship at least quarterly.
- E. Appeals:** The family may use the grievance procedure to appeal the PHA's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

V. RENT TO BE PAID TO THE PHA

A. All Public Housing Units:

§960.253
§965.502

1. **Income-based Rent.** For all public housing units (scattered site single family homes and duplexes), rent to be paid to the PHA will be calculated by subtracting an allowance for tenant-purchased utilities from the Total Tenant Payment which is based on adjusted household income.
2. **Flat Rent:** For households who choose to pay flat rent, the utility allowance for the specific unit is subtracted from the flat rent, to determine the rent amount payable to the PHA.

B. Utility Allowances:

1. The allowance for tenant-purchased utilities will be taken from Part 3., Section V., Table 3-1.
2. Residents are not charged separately for appliances such as freezers and air conditioners. Consumption of such appliances

is not factored into the allowances in Table 3-1. Residents pay for consumption of such appliances in their electric bills.

C. Tenant Utility Payments: The resident shall be responsible for paying utility charges directly to Xcel Energy.

1. **Utility Reimbursements:** When the Total Tenant Payment is less than the allowance for tenant-purchased utilities, the PHA will pay the difference to the resident each month. (It is possible for families to still qualify for a utility reimbursement despite the \$50 minimum rent requirement. For example, if a family's TTP is the minimum \$50 and the PHA's utility allowance is \$60 for that unit, the family would receive a utility reimbursement of \$10 for tenant-purchased utilities.)
2. **Utilities Provided:** The following utilities are provided to tenants as a part of the rent paid to the PHA.
 - a. Cold water, sewer service, and refuse removal are provided as a part of rent to all residents.

Public Housing Utility Allowance Schedule

APPROVED OCTOBER 24, 2018

AMP 9 - Scattered Sites

Category	BR Size	Number of Outside Walls	Utility Allowance
A: 1 ½ and 2-story Homes	2	4	144
	3	4	190
	4	4	212
	5	4	206
	6	4	289
B: Rambler, Split Entry, Split Level and Walkouts	3	4	181
	5	4	224
	4	4	193
	6	4	240
C: Duplexes, Double Bungalows	3	3	148
D. PHA-Built Cluster Duplexes			
1. Central Duplexes (Former MN 1-5)	3	3	151
	4	3	177
	5	3	186
2. West Side Duplexes (Former MN 1-7)	2	3	146
	3	3	169

<h1>Part Six:</h1> <h2>Continued Occupancy</h2>

I. Overview:

Refer to:

A. Annual Reexaminations:

24 CFR
§960.257(a)
§966.4(c)
§5.609(c)(2)

1. Except as stated below, at least once a year, the PHA must reexamine a family's eligibility for continued occupancy, their compliance with provisions of the Dwelling Lease, the amount of the Tenant Rent, the amount of the utility allowance, and the appropriateness of the size of their unit.

§960.209(b)

2. An annual reexamination will also be required for families who have chosen to pay the flat rent.

PIH Notice
2013-03 &
2013-04
2015-13

3. "Over-Income" Residents. The PHA limits the length of time that a family may reside in public housing after their annual income exceeds HUD's "Very Low Income" limit for the Twin Cities metropolitan area multiplied by a factor of 2.4 (approximately 120% of the Area Median Income). See II.E. below.

4. The PHA may conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. See II.D. below.

5. The PHA may conduct triennial recertifications (at least once every three years) for elderly and disabled families with 90% of their income coming from fixed sources.

P.L. 114-87
Passed
12/4/2015

- B. Interim Reexaminations:** If there are changes in a family's circumstances between the dates for an annual reexamination, the amount of Tenant Rent may change.

§5.609(c)(2)

C. Non-Economic Requirements:

1. In determining eligibility for continued occupancy, the PHA shall evaluate each tenant in accordance with the non-economic qualification requirements for admission stated in Part 1, Section V., of these Admission and Occupancy Policies, applying those requirements to the tenant's history in public housing.

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

2. If the PHA determines that a tenant's or any household member's habits and practices may be expected to have a detrimental effect on other tenants, or on the development environment, it shall notify the tenant of the family's ineligibility for continued occupancy.
3. Adult residents who are not exempt from volunteer community service (Part Six, Section VII.) must show that they have complied with that requirement to be eligible for continued occupancy.
4. Victim of Domestic Violence: The PHA will not terminate a tenant's lease based on serious or repeated lease violations or criminal activity related to domestic violence, dating violence or stalking, where the tenant is the victim of the domestic violence, dating violence or stalking. The PHA may require a tenant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix K, VAWA Policy)
5. The PHA may deny or terminate assistance to the family member who is or claims to be a victim of such domestic violence if
 - a. The tenant fails or refuses to sign a certification or provide other documentation of the domestic violence within 14 business days after being asked to do so; or
 - b. There is an actual and imminent threat to other tenants, PHA staff or persons providing service to the property if the tenant is not evicted or terminated from assistance.
6. Bifurcation of Leases: The PHA may bifurcate a lease to remove a household member who engages in criminal acts of physical violence against family members or others. (See Appendix K, VAWA Policy)

II. Annual Reexaminations

A. Timing of Reexaminations:

1. **Initial Reexamination:** The initial reexamination for each tenant family will occur according to the schedule for the development in which they reside and may occur less than twelve months after admission. Tenants who move in three months or less before the effective date of the reexaminations for that development will be required to participate in a reexamination within a month between lease signing date and effective date of the re-exam for that development.

§5.617(a)

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

2. **Special Scheduling:** At the time of admission or any scheduled reexamination, the PHA may fix the date of the next reexamination as any date within the reexamination period as the family’s circumstances may dictate.
3. **Transfer Reexaminations:** Transfers will not require a full reexamination for continued occupancy.

B. Requirements for Annual Reexaminations: Except as stated below, the PHA will examine all eligibility factors in making determinations, including income, assets, family composition, and the family’s compliance with lease requirements. §5.617

1. **Application for Continued Occupancy:** Once a year, the family must complete a written Application for Continued Occupancy, commonly referred to as an “ACO”, signed by the head of the family or the spouse.
2. **Accurate Statements:** Tenants must provide accurate statements that will enable the PHA to make an eligibility determination.

3. **Required Use of Enterprise Income Verification System (EIV).** The PHA will use HUD’s online EIV system to verify tenant employment and income information during each annual and streamlined reexamination of family composition and income, in compliance with all related HUD guidance, to reduce administrative and subsidy payment errors. 24 CFR §5.233(a)(2)(ii) §5.236 §5.609(c)(2)(i)

The PHA will determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA or owner uses a streamlined income determination under §960.257(c). PIH Notice 2013-03 & 2013-04

In determining the income of the family for the previous 12-month period, the PHA will take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.

§960.257(c)

The PHA will make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

4. If there has been a change in circumstances for a tenant, or a resident disputes the EIV-reported income information and is

PUBLIC HOUSING ADMISSION & OCCUPANCY POLICIES

unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification.

The PHA will continue to verify income from sources not available in EIV, using the same time period for both wage and non-wage income.

5. **Verification Assistance:** Tenants must assist with the verification of necessary information and are required to furnish proof of their statements when requested by the PHA.

- a. **Required Releases:** All members of the household 18 years and older must sign a HUD-approved release which authorizes any depository or private source of income, or any federal, state or local agency, to furnish or release necessary information. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or through acceptable documents that are generated by a third party, but are in the possession of and provided by the applicant, the applicant will not be required to sign release forms for those income sources.

Sec. 5.230

- b. **Direct Documentation:** The family may also be required to submit other documentation directly to the PHA.

5. **Necessary Documentation:** Information or documentation shall be determined to be necessary if it is required for purposes of determining or auditing the following:

- a. A family's eligibility to continue in occupancy;

- b. For determining the family's Adjusted Income or Total Tenant Payment; or

- c. A family's eligibility for unit size.

- d. For verifying related information.

6. **Use of Confidential Information/Data Practices:** Information that is obtained directly from tenants, or from those persons authorized by tenants, will be used or disclosed only for purposes relating directly to the administration of the Public Housing Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

C. Required Verifications:

1. **Social Security Numbers:** Tenants must provide their Social Security number (SSN) and valid Social Security card (or other acceptable documentation) for themselves and all other household members unless one of the exceptions stated in HUD regulations applies.

§5.216;
PIH 2010-3

Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA, should make such declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.

2. **Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.**

- a. The PHA must terminate the tenancy of residents (the entire household) if each member of the household who is required to disclose his or her SSN and provide documentation does not do so.
- b. However, if the family is otherwise eligible for continued occupancy in public housing, the PHA may, at its discretion, defer the family's termination and provide the family an opportunity to comply with the requirement for not more than 60 days if the PHA determines, that:
 - i. The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not reasonably be foreseen and were outside the control of the family; and
 - ii. There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation by the deadline.
- c. If the family is unable to comply with the requirements by the specified deadline, the PHA must terminate the entire family's tenancy.

2. **Family Composition:** A certification from the Head of Household or spouse must be provided that lists all the members who are currently living in the unit. This will generally be sufficient for verification of family composition; however, the PHA reserves the right to request additional verification.

3. **Income:**

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- a. All earned and unearned income must be verified through HUD’s online UIV/EIV systems at the time of annual reexamination. §5.233
- b. When verification through EIV is not possible, the PHA will verify income in the same manner as for applicants. See Part 1, Section F. of these Policies.
- c. Staff may verify income using HUD’s online UIV/EIV systems instead of requiring the resident/ participant to submit documentation. If there has been a change in circumstances for a tenant, or a tenant disputes the EIV-reported income information and is unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification.

The PHAs will continue to verify income from sources not available in EIV, using the same time period for both wage and non-wage income.

- 4. **Assets:** If the total value of reported assets is \$50,000 or more, their value must be verified in the same manner as applicants’ income. See Part 1, Section F. of these Policies. §5.609(a)(2)

The PHA may accept the family’s declaration of the amount of assets equal to or less than \$50,000, and the amount of income expected to be received from those assets. In such cases the PHA does not need to request supporting documentation.

- 5. **No Income:** The absence of income will be verified through third-party sources where possible. Participants reporting no income will be required to sign a statement and a corresponding release form certifying that they are receiving no income.
- 6. **Verification of Disability:** For those tenants claiming a disability status, but who are not receiving Social Security Disability (SSD) benefits or Supplemental Social Security Income (SSI) benefits, a doctor’s or other qualified person’s certification as to the degree, and possible length of such disability will be required. § 960.257(c)(5)

D. Streamlined Annual Reexaminations for elderly families and disabled families on fixed incomes. [deleted]

- 1. The PHA may conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family’s income consists of fixed income. The PHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

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2. For this purpose, the term “fixed income” includes income from:
 - a. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
 - b. Federal, State, local, and private pension plans; and
 - c. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

E. Triennial Recertifications for Elderly and Disabled Families on Fixed Incomes

The PHA may conduct triennial recertifications (at least once every three years) for elderly and disabled families with 90% of their income coming from fixed sources.

F. Over-Income Families: Annual Reexaminations; Time Limits

1. As stated above, a family whose annual income as verified at an annual or interim reexamination exceeds HUD’s Very Low Income limit multiplied by a factor of 2.4 (approximately 120% of the Area Median Income), will be designated as an Over Income (OI) household. The PHA will conduct full annual reexaminations on OI households as long as the household’s income continues to exceed the OI limit. See II.E. below.
2. If the family’s verified annual income exceeds the OI limit for a consecutive 24 month period, the PHA will notify the tenant that their lease will be terminated and they will have to vacate their unit in 90 days.
3. Staff will remind OI households of their OI status and the potential for their lease to be terminated as a result three times: (1) when they are initially identified as an OI household, (2) at the 12 month anniversary of their designation as OI, and (3) at their 24 month anniversary of their designation as OI.
4. **Hardship Extension:** The PHA may extend the lease termination up to a maximum of 6 months if necessary to avoid an extreme hardship on one or more family members, such as the following:
 - a. A change in household composition such that the remaining household members have annual income below OI limit:

- b. A drop in income due to factors outside of the resident's control, such as place of employment going out of business;
 - c. Disability or serious illness of a household member;
 - d. Death of a household member.
5. Households that have been OI for two consecutive years must vacate at the end of the termination period even if their household composition or income has changed.
6. If the household income drops below the OI limit at any time during the two-year period, the two-year "clock" resets.

III. Interim Reexaminations

§960.257

§960.209(b)
§966.4(c)

B. Special Reexaminations: The PHA may conduct reexaminations more frequently than once a year due to special family circumstances or changes in program regulations, which may affect the Total Tenant Payment. The family's eligibility for continued occupancy will only be redetermined during an annual or specially scheduled reexamination.

C. Unusual Income Situations: The PHA will initiate more frequent reexaminations under the following circumstances:

- 1. Adults with **zero income** must have their incomes reexamined at intervals no less than 30 days and no more than 90 days. Those adults must report any increase in income within 10 days.
- 2. Adults with **income that cannot be projected with reasonable accuracy** due to its temporary or sporadic nature will have more frequent reexaminations:
 - a. They will have their incomes reexamined at intervals of no less than 30 days and no more than 90 days.
 - b. The PHA will set a schedule for reexaminations that is appropriate to the family's circumstances.

D. Other Interim Reexaminations: Between annual reexaminations, if there are changes in a family's income, household composition, or eligible deductions, an interim reexamination may be conducted. §960.209(b)
§966.4(c)(1)

1. **Family Requests for Reexaminations:** (b) Interim reexaminations. (1) A family may request an interim reexamination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of an increase in family adjusted income under paragraph (3) of this section. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but generally should not be longer than 30 days after changes in income are reported. Families paying rent based on adjusted income can request in interim reexamination in the following circumstances: §960.257(b)

- i.) They experience a decrease in income which would result in a rent decrease; or
- ii.) They have an increase in these eligible allowances or deductions which would result in a rent decrease:
 - (a) An increase in expenses for the care of a child or handicapped member,
 - (b) An increase in permissible deductions and/or expenses due to a change in HUD regulations, or
 - (c) An increase in the number of dependents, or
 - (d) For elderly and disabled? families only, an increase in medical expenses.

b. Families paying flat rent can request in interim reexamination in the following circumstances:

- i.) A financial hardship situation has occurred as described in Part Three, Section II.B.
- ii.) If a household chooses to change from the flat rent option to adjusted income rent calculation, the

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household may not return to flat rent until the next regular reexamination date for that development.

2. **Circumstances Requiring an Interim Reexamination:** An interim reexamination must be performed when any one of the following circumstances occurs. In these circumstances, all changes in household status and income will be considered in determining Total Tenant Payment:

§5.609(a)(2)
§960.209(b)
§966.4(c)
§966.4(c)(1)

- a. **Household Changes.** New persons may not be added to the household without the PHA's prior approval (other than the birth or adoption of a child). Tenants must report all changes in household composition within 10 days of the occurrence involving:

§966.4(a)(2)

i.) Any addition of an adult member; or

ii.) The loss of an adult member,

iii.) The addition of a minor to the household (see Section VII. below and also Part 1. Section II.G. and H. and Part 7, Section III.F).

b. **Increased Income:**

Families must report an increase in monthly household income. An interim rent calculation will only be processed if/when the cumulative increase in unearned gross monthly household income totals 10% or more from the previous rent portion calculation. Interim rent calculations are not processed for increases in earned income except in special circumstances outlined below.

Exceptions:

- i.) A household that has been certified as having no income (a zero-income family) must report all income increases, and the rent will be adjusted accordingly.
- ii.) If the household's income increases due to another person joining the family, the rent will be adjusted.
- iii.) An interim recertification will not be conducted if a household reports an increase in income within three months of their next annual reexamination effective

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date. In these circumstances, the increase will be accounted for during the annual reexamination.

iv) If the household's income (earned and/or unearned) has increased after having reported a decrease in household income since their last annual recertification, or if the household is at zero income, the household must report all increases and the rent will be adjusted accordingly, applying the 10% threshold for interim increases.

d. **Change in Earnings Exclusion (Earned Income Disregard):** An interim reexamination must be conducted when the percentage of incremental earnings to be excluded under Part 1, Section III.C.10 or 11. changes from 100% to 50% after 12 months, and when the 50% disregard ends after 24 months.

(e) *Limitation.* This section applies to a family that is receiving the disallowance of earned income under this section on December 31, 2023

(f) *Sunset.* This section will lapse on January 1, 2026.

a. **PHA Error:**

i.) When an error is made by the PHA at admission or reexamination, the tenant is encouraged to report the error to the PHA as soon as they become aware of it so an interim reexamination can be conducted.

ii.) No retroactive rent increase will be made against the family when the PHA has made an error.

iii) **De Minimis Errors:** De minimis errors are defined as errors where the PHA's determination of family income varies from the correct income determination by no more than \$30 in monthly adjusted income. The PHA is required to fix errors after becoming aware of them by correcting the certification. When a de minimis error results in the family being overcharged, the PHA must credit or refund the household regardless of the amount. If the error results in the family being undercharged, the family is not required to repay the PHA. In those circumstances the PHA will ensure that the household's account is credited to offset any charges resulting from the corrected certification.

IV. **Effective Date of Rent Changes**

Once the Tenant Rent is established at the time of reexamination, the rate will remain in effect until the next reexamination, or until an Interim Rent Adjustment is made.

A. **Interim Reexaminations.**

Increases in rent resulting from required interim redeterminations will be effective the first of the month that begins 30 days after the month in which the change in status actually occurred, provided the increase is reported timely. If the change is not reported timely, any resulting rent increase is retroactive to the first of the month following the date that the change in status occurred.

Decreases in rent resulting from optional interim redeterminations will be effective the first of the month following the date the change in status occurred if reported timely. If not reported timely, the decrease will be implemented no later than the first of the month following completion of the reexamination.

B. Annual Reexaminations: Increases in rent resulting from an annual reexamination will be effective according to a predetermined PHA ACO schedule. Notice of rent increases will be given not less than thirty days prior to the effective date of the change. Rent decreases do not require advance notice.

D. Transfers: See Part Seven. of these Admissions and Occupancy Policies for more information regarding transfer policies.

V. Misrepresentation: Any material misrepresentation by the tenant or failure by the tenant to provide complete information, during any reexamination or otherwise, may result in a determination of ineligibility for continued occupancy or a retroactive rent increase or a combination of both. The tenant will be notified in writing of such determination in accordance with Section VI. of this part.

VI. **Notice To Ineligible Families**

A. PHA Notice: The PHA will give the tenant prompt written notice of a decision that the family has been determined to be ineligible for continued occupancy. The written notice will contain a brief statement of the reasons for the decision.

§966.4(e)(8)

§966.4(e)(8)(ii)

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B. Grievance Hearing: The notice will state that if the tenant does not agree with the decision, the tenant may request a Grievance Hearing in accordance with the PHA's Grievance Procedure. §966.4(e)(8)(i)
(A)

C. Delivery of Notice of Ineligibility: §966.50

1. Notice shall be sufficient by delivery of a copy to the family in writing or by mailing it to the family at the last address contained in the PHA file, by first class mail, properly addressed, with postage prepaid.
2. "Delivery of a copy" means handing it to the family or leaving it at the premises with a person of suitable age and discretion who lives there.

VII. Adding Members To A Household (Lease-ons)

A. If one or more persons not living in public housing wish to be added to a lease and become members of a household currently living in public housing ("lease-on"), they must apply and meet the same eligibility requirements as other applicants. If the lease-on applicants are determined to be eligible and they can move into the household without exceeding the PHA's occupancy standards, they may be admitted without regard to their position on the public housing waiting list. See also Part 1. Section II.G. and H. of these Policies.

B. Social Security Numbers (SSN's) for Lease-Ons.

1. When a resident requests to add a new household member who is at least six years of age or under the age of six- and has an assigned SSN, the resident must disclose the assigned SSN and provide the PHA with documentation. The new household member may not be added until the family provides the documentation.
2. When a resident requests to add a new household member to the family, who is under the age of six and does not have an assigned SSN, the resident must disclose the assigned SSN and provide the PHA with documentation within 90 calendar days of the child being added to the household.
3. If the family is unable to disclose and provide evidence of the SSN within 90 calendar days, the PHA is required to grant the family an additional 90-day period to comply with the requirement, if the PHA determines the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control

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of the family (for example, SSA delay, natural disaster, fire, death in the family, etc.).

4. If the family has not complied with the SSN disclosure and documentation requirements by the end of the time extension, the PHA must terminate the family's tenancy.

VIII. Continued Occupancy and Community Service

24 CFR
§960.600; PIH
2003-17 (HA)
PIH 2009-48;
PIH 2015-12;

A. General:

In order to be eligible for continued occupancy, each adult family member must either:

1. Contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or
2. Participate in an economic self-sufficiency program for eight hours each month.

B. Exemptions:

The following adult family members of tenant families are exempt from this requirement.

1. Family members who are age 62 or older.
2. Family members who are blind or disabled and who certify that they are unable to comply with this service requirement because of their disability.
3. Family members who are the primary caregiver for someone who is blind or disabled and who certify that they are unable to comply with this service requirement because of their care giving responsibilities.
4. Family members engaged in work activity for at least 10 hours a week, which includes the following:
 - a. Unsubsidized Employment;
 - b. Subsidized private-sector employment;
 - c. Subsidized public-sector employment;
 - d. Work experience if sufficient private sector employment is not available;
 - e. On-the-job training;
 - f. Job-search and job-readiness assistance;

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- g. Community service programs; including;
 - h. Vocational educational training
 - i. Job-skills training;
 - j. Education, including GED, secondary school, post-secondary and vocational training; citizenship classes, ESL, adult basic education and similar activities;
 - k. Activities to remove barriers to employment, including treatment for chemical dependency or mental health issues, parenting education and similar activities;
 - l. Providing childcare services to an individual who is participating in a community service program.
5. Family members who are exempt from work activity under Part A. Title IV. Of the Social Security Act or under any other state welfare program, including MFIP or any other welfare-to-work program.
 6. A member of a family receiving assistance, benefits or services under a State program funded under Part A. Title IV. of the Social Security Act, MFIP or under any other welfare program of the State, including the Supplemental Nutrition Assistance Program (“SNAP”; Food Stamps), or a State-funded Welfare-to-Work program, and who has not been found by the State or other administering entity to be in non-compliance with that program.

C. Notification of the Requirement:

1. The PHA shall identify all adult family members who are apparently not exempt from the community service requirement.
2. The PHA shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. The PHA shall verify such claims.
3. The notification will also advise them that failure to comply with the community service requirement may result in ineligibility for continued occupancy at the time of a subsequent annual reexamination.

D. Volunteer Opportunities:

1. Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community.
2. An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready to participant to work (such as substance abuse or mental health treatment).
3. The PHA will coordinate with Resident Councils, social service agencies, local schools, and other public and private agencies in identifying a list of volunteer community service positions. Individual residents may suggest other volunteer community service options.

E. The Process:

At each annual (flat rents, too) reexamination, the PHA will do the following:

1. Provide a list of volunteer opportunities to the family members.
2. Provide information about obtaining suitable volunteer positions.
3. Provide a volunteer timesheet to the family member.
4. At least thirty (30) days before the family's next lease anniversary date, the PHA will determine whether each applicable adult family member is in compliance with the community service requirement.
5. At each regularly scheduled rent re-examination, each non-exempt family member must provide a signed certification (on a PHA form) of their community service activities performed over the previous twelve (12) months.
6. The PHA obtains third-party verification of community service completion administered through outside organizations, using a standardized form with places for signature confirmation by

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supervisors, instructors, or counselors certifying the number of hours contributed.

7. The PHA may ask the resident to provide additional supporting documentation to verify community service participation or exempt status.
8. The PHA retains all community service documentation in the tenant file.

F. Notification of Non-Compliance With Community Service Requirement:

The PHA will notify any family found to be in non-compliance. The notice will include the following:

1. A statement that the family member(s) has been determined to be in non-compliance; with a brief description of the finding;
2. A statement that the PHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. A written work-out agreement must include the means through which a noncompliant family member will comply with the community service requirement.
3. A statement that the tenant may request a grievance hearing on the PHA determination and may exercise any available judicial remedy.

G. Enforcement:

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, the PHA is required to initiate proceedings to terminate the tenancy at the end of the current 12-month lease due to the fact that the family is failing to comply with lease requirements.

IX. Disclosure of Income Verification Information

Sec. 508(d) of
1998 Housing
Act

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- A. HUD will periodically verify income reported by PHA residents by comparing it with records maintained by other government agencies. HUD will notify the family if HUD finds an apparent discrepancy in reported income.
- B. If a family living in public housing receives information from HUD regarding their income, earnings, wages or unemployment compensation, obtained from HUD's income verification procedures, the family must report such information to the PHA within 10 working days of receiving it.

X. Debts Owed to the PHA; Payment Agreements

- A. The following policies apply to any monies owed to the PHA by current public housing residents.
- B. When a resident owes money to the PHA, the PHA may either require the resident to repay that amount in full, or require the resident to enter into a Payment Agreement as a condition of continued occupancy.
 - 1. To be eligible to enter into a Payment Agreement, the resident must first demonstrate to the satisfaction of the PHA that they cannot pay the debt in full.
 - 2. Payment Agreements require a minimum payment of \$25 a month on each claim for monies owed until the balance owed is paid in full.
 - 3. The Payment Agreement shall require payment in full of the balance owing within twelve months, absent extraordinary circumstances.

C. Consequences of Default on Payment Agreement:

§960.205(b)(1)

- 1. If the resident does not meet the agreed-upon terms of a Payment Agreement, the resident will be subject to termination of the Dwelling Lease in accordance with Part 9.
- 2. The PHA may file a claim for repayment under the Minnesota Revenue Recapture Act.

**PART ONE:
ELIGIBILITY FOR PARTICIPATION**

I. Overview:

Only families and individuals who meet program eligibility requirements may receive Section 8 rental assistance. The following six factors determine whether an applicant is eligible:

Refer to:
24 CFR
§982.201(a),(c)

A. Family Status Requirement: A family is a person or group of persons, as determined by the PHA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under the program. A “Family” includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

§5.403

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
2. A family with or without children. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - Children temporarily absent from the home due to placement in foster care are considered family members.
 - Unborn children and children in the process of being adopted are considered family members for the purpose of determining bedroom size and income limits.
- ~~12. A group of persons residing together, and such group includes but is not limited to:~~
3. An elderly family;
4. A near-elderly family;
5. A disabled family;
6. A displaced family; and
7. The remaining member of a tenant family.

B. Owner-Occupant Restrictions: The PHA cannot assist applicants who own or have a financial interest in the dwelling unit they intend to rent. If the unit is owned as a cooperative, an applicant who is a member of the cooperative may receive Section 8 rental assistance, provided they meet all other eligibility requirements.

§882.401(5)
§982.306(d)-(f)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- C. Adult Head of Household:** The head of household must be age eighteen or older. §982.308(a)
- D. Social Security Number Requirement:** The applicant must provide the Social Security number (SSN) and valid Social Security card for all family members unless one of the exceptions stated in HUD regulations applies. §5.216;
PIH 2010-3
§982.551(b)(3)
- Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA should make such declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.
- E. Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.**
1. Unless one of the exceptions stated in HUD regulations applies, the PHA must deny the eligibility of an applicant if he or she (including each member of the household who is required to disclose his/her SSN) does not disclose a SSN and/or provide the required documentation for the SSN.
 2. However, if the family is otherwise eligible for admission to public housing, the family may maintain its position on the waiting list for not more than 60 days after it is found to meet all other eligibility requirements.
- F. United States Citizenship Status Requirements:** §982.551(b)
1. An applicant who is a citizen must sign a declaration of U.S. citizenship.
 2. Applicants who are age 62 or older who are non-citizens must sign a declaration of eligible immigration status and provide a proof of age document. §5.508(b)(2)
 3. Other non-citizen applicants must sign a declaration of eligible immigration status, a signed verification consent form, and U.S. Immigration and Naturalization Service forms to establish their eligibility for Section 8 rental assistance. §5.508(c)
- G. Income Limits Requirement:** The applicant family or individual must meet income requirements and the PHA must attempt to target 75% of new admissions to the Extremely Low Income category. §982.201
§982.201(b)(2)
(i)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

1. The family is eligible if their annual income is at, or below, the income limit set for Very Low Income Families. This income limit is based upon 50% of the median income for the area.
2. The family is eligible if their annual income is between 51-80% of the median income for the area, and any of the following categories apply:
 - a. Families “continuously assisted” in Public/Indian, Section 23 or Section 8 housing;
 - b. Families physically displaced by rental rehabilitation;
 - c. Non-purchasing tenants of certain homeownership programs;
 - d. Tenants displaced from certain Section 221 and 236 projects;
 - e. Low income families residing in certain HUD-owned projects (these families are eligible for a Certificate only)
3. The Department of Housing and Urban Development (HUD) may authorize Section 8 assistance for specific uses. Under these circumstances, assistance could be provided to families with low incomes, meaning anticipated annual income between 51-80% of the median income for the area. §982.203(a)(b)
4. The PHA examines the current family income and projects it forward for the next twelve months to calculate anticipated annual income, to determine income eligibility for an applicant. A period of less than twelve months may be used if the family’s source of income is temporary or unusual and will not likely recur in the next twelve months. No deductions or allowances are subtracted from the total annual income in determining the family’s eligibility for the program. §982.201 §5.653(e)
5. The income limit restrictions do not apply to a family already being assisted by the Section 8 Program. The family will not be required to leave the program if their income exceeds the current income limit.
6. In determining the income eligibility of a student at an institution of higher learning who is under age 24, the income eligibility of the parent(s) of the student may also have to be determined. See the section below and **Appendix N, Students’ Eligibility for Vouchers.** §5.612(g)

Income Limits for Section 8 Vouchers in 20222023		
Area Median Income \$124,900\$118,200		
	Priority for Section 8 Vouchers	Maximum Income for Section 8 Vouchers
Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)
1 Person	\$24,650 \$26,100	\$41,100 \$43,500
2 Person	\$28,200 \$29,800	\$46,950 \$49,700
3 Person	\$31,700 \$33,550	\$52,800 \$55,900
4 Person	\$35,200 \$37,250	\$58,650 \$62,100
5 Person	\$38,050 \$40,250	\$63,350 \$67,100
6 Person	\$40,850 \$43,250	\$68,050 \$72,050
7 Person	\$43,650 \$46,200	\$72,750 \$77,050
8 Person	\$46,630 \$50,560	\$77,450 \$82,000

Effective ~~4/1/2022~~ 5/15/2023

H. Restrictions based on net assets and property ownership. A family is not eligible for assistance if their net assets (as defined in § 5.603) exceed \$100,000 either initially or upon reexamination of family income, or if the applicant family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a piece of real property that is suitable for occupancy by the family as a residence (based on laws of the state or locality in which the property is located).

I. Eligibility of Adult Students for Section 8 Vouchers.

An adult student under age 24, enrolled at an institution of higher learning, may be ineligible for Section 8 Housing Choice Vouchers or Project-Based Voucher (PBV) assistance, based on the financial situation of the student's parents.

In general, a student under age 24 can be eligible for Section 8 assistance if the student is:

1. Financially independent from his or her parents; or
2. A veteran of the U.S. military; or
3. Married, or
4. A person with disabilities who was receiving Section 8 assistance as of November 30, 2005; or
5. Has dependent children.

If the student does not meet one or more of those exceptions, the student will only be eligible for Section 8 if the student's parents' income is within the Section 8 income limits. The student's own income must also be within the Section 8 income limits.

The restrictions do not apply to students living with their parents in a Section 8-assisted unit or students who live with parents who are themselves applying to receive Section 8 assistance.

See Appendix N, Students' Eligibility for Vouchers.

II. Denial or Termination of Assistance

A. Denial of assistance for an applicant may include any or all of the following: §982.552(a)(2)

1. Denying listing on the PHA waiting list,
2. Denying or withdrawing a certificate or voucher,
3. Refusing to enter into a HAP contract or approve a lease,
4. Refusing to process or provide assistance under portability procedures.

In deciding to deny or terminate assistance based on a violation of law, rules, or other requirements, the PHA has the discretion to consider all of the circumstances in each case, including but not limited to the following: §982.552(c)(2)

- The seriousness of the offense;
- The length of time since the offense;
- The number of offenses, and;
- The extent of participation or culpability of each family member.

In addition, the PHA may consider any mitigating circumstances related to a disability of a family member and the effects of denial or termination of assistance on other family members who were not involved in the action.

The Violence Against Women and Justice Department Reauthorization Act of 2005 ("VAWA") and reauthorizations protects qualified applicants or tenants and family members of applicants or tenants who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based solely on acts of such violence against them. (See **Appendix M VAWA Policy**)

§982.552(c)(2)
(v)
§5.2001

B. Requirement to Deny or Terminate Assistance:

§982.552(b)(2)

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1. The PHA must terminate assistance for a family evicted from housing assisted under Section 8 for a serious violation of the lease.
 - a. Victim of Domestic Violence. A property owner participating in the Section 8 program must not evict a family for serious or repeated lease violations or criminal activity related to domestic violence, dating violence or stalking, solely because a family member is a victim of domestic violence, dating violence or stalking. The property owner or the PHA may require that a household member who is the perpetrator of such criminal acts be removed from the lease. (See **Appendix M, VAWA Policy**) §884.216(c)
 - b. The PHA may deny or terminate assistance, and the property owner may terminate the lease and evict the family, including the family member who is or claims to be a victim of such domestic violence if
 - i. The tenant fails or refuses to provide a signed certification or other documentation within 14 business days after being asked to do so; or §5.2005
 - ii. There is an actual and imminent threat to other tenants, staff (of the property owner or the PHA) or persons providing service to the property if the tenant is not evicted or terminated from assistance. §5.2007
2. The PHA must deny admission or terminate assistance for a participant if any member of the family fails to sign and submit consent forms needed to obtain information required for administration of the program. §5.2005(e)
3. The PHA must deny admission or terminate assistance for a participant if any family member fails to submit required evidence of citizenship or eligible immigration status. §982.552
4. The PHA must deny admission or terminate assistance for a participant who is required to register for life under any states' sex offender registration program. §982.553
5. The PHA must deny admission or terminate assistance for any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing. §5.612

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6. The PHA must deny or terminate assistance if any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612. See **Appendix N, Students' Eligibility for Vouchers.**

§982.551

C. Grounds for Denial or Termination of Assistance:

§982.552(c)

1. If the family violates any family obligations under the program, including the requirement that the family supplies any information that the PHA or HUD determines is necessary in the administration of the program. "Information" includes any requested certification, release or other documentation.
2. If any member of the family has been evicted from federally assisted housing in the past five (5) years;
3. If a Public Housing Authority (PHA) has ever terminated assistance under the certificate or voucher program for any member of the family within the past five (5) years ;
4. If any member of the family commits drug-related criminal activity; violent criminal activity; alcohol abuse that may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents; or other criminal activity which may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents, other persons residing in the immediate vicinity, property owners and management, or PHA staff and contractors.
5. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
6. If the family currently owes rent or other amounts to the PHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act;
7. If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
8. If the family breaches an agreement with the PHA to pay amounts owed to a Housing Authority;
9. If the family has engaged in, or threatened, abusive or violent behavior toward PHA personnel;

§982.553;

§982.553(a)(2)
(ii)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

10. If any member of the family fails to sign and submit consent forms for obtaining information.
11. If a Welfare to Work (WTW) family fails to fulfill its obligations under the WTW voucher program.
12. Victim of Domestic Violence. The PHA will not deny or terminate assistance solely because a family member is or has been a victim of domestic violence, dating violence or stalking. See above, Section B.1.b., and **Appendix M**.
13. Perpetrator of Domestic Violence. The PHA may deny or terminate the assistance of any member of an assisted household who engages in criminal activity directly related to actual or threatened domestic violence, dating violence, or stalking, without affecting the assistance of the remaining household members.

D. Ineligibility If Evicted For Drug-Related Activity: Persons evicted from public housing, Indian housing, Section 23, or any Section 8 Program because of a drug-related criminal activity are ineligible for admission to Section 8 Programs for a three-year period beginning on the date of such eviction.

E. Denial or Termination for Illegal Use of Controlled Substance and Alcohol Abuse: The PHA may deny assistance for any person if the PHA determines that the person is illegally using a controlled substance or such use has occurred within three years before the date of denial. The PHA may terminate assistance of any person if the PHA determines that the person is illegally using a controlled substance or has illegally used a controlled substance within a reasonable time before the date of termination. The PHA may also deny or terminate assistance if there is reasonable cause to believe the person abuses alcohol in a way that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or that there is reasonable cause to believe that the person's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

§982.553

1. The PHA may waive the policies prohibiting admission in these circumstances if the person demonstrates to the PHA's satisfaction that the person is no longer engaging in the illegal use of a controlled substance or abuse of alcohol and has successfully completed a supervised drug or alcohol rehabilitation program; has otherwise been rehabilitated successfully; or is participating in a supervised drug or alcohol rehabilitation program.

§982.316

F. The PHA may at any time refuse to approve or withdraw approval of a person as a live-in aide if the proposed live-in aide has:

- Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Commits drug-related or violent criminal activity; or
- Currently owes rent or other amounts to the PHA or to another housing authority in connection with Section 8 or public housing.

III. The Waiting List

§982.202

- Households must complete a pre-application to be considered for the waiting list.
- Households must complete an application to participate in the Section 8 Program.
- Applicants must supply any information the PHA or HUD determines is necessary in the administration of the program. Information includes any requested certification, release or other documentation.

§982.204(a)

§982.205(a)

§982.203

- Eligible applicants are put on a waiting list for admission that uses a randomized date and time of application, and preference factors to determine priority of placement.
- With HUD’s approval, the PHA may admit a family that is not on the PHA waiting list or without considering that family’s position on the waiting list as a special admission.

§982.204

- If a family is currently on the St. Paul Section 8 waiting list and ports into St. Paul using another Housing Authority’s voucher, that participant family’s name will be removed from the St. Paul Section 8 waiting list.

A. When Applications Are Taken:

1. Applications for assistance are taken at all times unless, in the judgment of the PHA, it should close the waiting list because it has a sufficient number of applicants it can serve in a reasonable period of time.

§982.206

SECTION 8 ADMISSION & OCCUPANCY POLICIES

2. When the waiting list is closed the PHA will accept an application under the following circumstances: §982.206

- a. HUD provides a special allocation of Section 8 assistance for a specific use or program and there are not sufficient applicants on the waiting list who meet the program criteria for the specific use or program.

B. Closing and Opening the Waiting List: Before suspending or resuming taking applications for Housing Choice Vouchers, the PHA will issue a public announcement. The announcement will be published in local newspapers at least two weeks before the waiting list is opened or closed. §982.206(a)(2)

IV. Calculating Annual Income

A. Annual Income: Annual income is the anticipated total income from all sources listed in this section received by or on behalf of the head of household and spouse (*even if temporarily absent*); and any other family member unless specifically excluded by federal regulation. §5.609(a)

1. Annual income will be anticipated for the twelve-month period following the effective date of initial determination of eligibility, ~~or the effective date of the re-examination of income.~~ If it is not feasible to anticipate a level of income for a twelve-month period, the income anticipated for a shorter period may be **annualized**, subject to a re-determination at the end of the shorter period. When completing annual recertifications income, the PHA must determine the family's actual income for the previous 12-month period and use this amount to determine rent for the year ahead. In determining household income for the previous 12-month period, the PHA must take into consideration any redetermination of income during the past year resulting from an interim reexamination of family income, and must account for any income changes not "picked up" in a redetermination of income (for example, increases in income that did not meet the threshold for an interim, or that were due to earned income).

2. Annual income includes, with respect to the household:
(1) All amounts not specifically excluded in 24 CFR § 5.609, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD. If total assets are \$50,000 or less, only actual income from assets is included in annual income, but is not limited to the following:

B. Calculating Income. The PHA must calculate family income as follows:

- (1) Initial occupancy or assistance and interim reexaminations. The PHA must estimate the income of the family for the upcoming 12-month period:
- (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
 - (ii) To determine family income for an interim reexamination of family income.
- (2) Annual Reexaminations.
- (i) The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination.
 - (ii) In determining the income of the family for the previous 12-month period, the PHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.
 - (iii) The PHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.
- (3) Use of other programs' determination of income.
- (i) The PHA may determine the family's income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means tested forms of Federal public assistance:
 - (A) The Temporary Assistance for Needy Families block grant.
 - (B) Medicaid.
 - (C) The Supplemental Nutrition Assistance Program.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- (D) The Earned Income Tax Credit.
- (E) The Low-Income Housing Credit.
- (G) Supplemental Security Income.
- (H) Other programs administered by the Secretary.
- (I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.
- (J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through a Federal Register notice.

(ii) The PHA must obtain the annual income determination for other means-tested public assistance using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA must calculate annual income in accordance with 24 CFR part 5, subpart F.

- ~~a. The full amount, before any payroll deductions, of wages and salaries, including compensation for overtime and other compensation for personal services. §5.609(b)(1)~~
- ~~b. Net income from operation of a business or profession. §5.609(b)(2)~~
 - ~~(1) Expenditures for business expansion or amortization of capital indebtedness will not be used as deductions in determining net income.~~
 - ~~(2) 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.~~
 - ~~(3) Any withdrawal of cash or assets from the operation of a business or profession shall be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.~~
- ~~e. Interest, dividends, and other net income of any kind from assets whether real or personal property or instruments such as stocks, bonds, certificates of deposit. §5.609(b)(3)~~

SECTION 8 ADMISSION & OCCUPANCY POLICIES

(1) Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income.

(2) An allowance for depreciation of real or personal property may be deducted from the interest, dividends or other net income derived from the property (*straight line depreciation shall be used as provided in Internal Revenue Service regulations*).

(3) Any withdrawal of cash or assets from an investment shall be included in income except to the extent the withdrawal is reimbursement of cash or assets invested by the family.

(4) Where the family has net family assets in excess of \$50,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate as determined by the PHA in accordance with HUD guidelines (imputed income).

§5.609(b)(3)

(15) If total assets are \$50,000 or less, only actual income from assets is included in annual income. If total assets are \$5,000 or less.

d. ~~The full amount of periodic payments before deductions, received from Social Security, annuities, periodic payments from insurance policies, retirement income, pensions, disability or death benefits, and other similar types of periodic receipts.~~

§5.609(b)(4)

e. ~~Payments in lieu of earnings, such as unemployment and disability compensation, Worker's Compensation and severance pay. (Note the exclusion of lump sums to income listed in the following Section B. 4.)~~

§5.609(b)(5)

f. ~~Welfare assistance payments:~~

§5.609(b)(6)

1. ~~If the household's welfare payment (MFIP or other) is reduced because of an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.~~

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~~2. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted as income.~~

~~g. Periodic and determinable allowances, such as **alimony, child support payments, and regular contributions or gifts**, including amounts received from any person not residing in the dwelling.~~ §5.609(b)(7)

~~4. Child Support income will be calculated at each annual recertification by using a recent and consistent twelve-month history of child support income received.~~

~~h. All regular pay, special payments and allowances (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.), received by a **member of the Armed Forces** (whether or not living in the dwelling) who is head of the family, spouse, or other family member whose dependents are residing in the unit.~~ §5.609(b)(8)

~~i. Payments to the head of the household for **support of a minor**, or payments nominally to a minor for his support, but controlled for his benefit by the head of the household or a resident family member other than the head, who is responsible for his support.~~ §5.609(b)(7)

~~j. Relocation payments made to displaced households made under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 or under 104(d) of the Housing and Community Development Act. The amount of income to be included will be based upon the number of months remaining in their 42 or 60 months entitlement since the date the family received its first replacement housing payment.~~ 49 CFR 24.208 (Department of Transportation Regulations), HUD Handbook 1378, §2-8

SECTION 8 ADMISSION & OCCUPANCY POLICIES

~~k. **Student Financial Assistance.** Scholarships and grants (not loans) are included in Annual Income to the extent that the scholarships and grants exceed actual tuition costs, for a student under the age of 24 who is enrolled at an institution of higher learning and who is applying for or receiving Section 8 rent assistance on his or her own, and not as part of his or her parents' household. Such scholarship assistance is not counted as annual income if the student is younger than 18, or is 24 or older, or is financially independent from his or her parents, or is a veteran of the U.S. military, or is married, or has dependent children. See also VI.B.5. below and Appendix N Students' Eligibility for Vouchers.~~ §5.609(b)(9)

B. Annual Income Does Not Include:

1. Amounts specifically excluded in 24 CFR § 5.609

1. ~~Non-recurring income~~, defined as: 24 CFR 5

a. ~~Temporary, non-recurring or sporadic income (including gifts).~~ §5.609(c)(9)

b. ~~Amounts which are specifically received for, or are a reimbursement of, the cost of medical expenses for any family member.~~ §5.609(c)(4)

2. ~~Income from employment of minors (including foster children).~~ §5.609(c)(1)

3. ~~Income of certain care providers:~~

a. ~~Foster Care:~~ Payments received for the care of foster children or foster adults. §5.609(c)(2)

b. ~~Care Attendant or Live-In Aide Income:~~ Income of a Live-In Aide will not be counted in determining the family's income if the PHA determines that the live-in-aide has met the requirements under the federal regulations. §5.609(c)(5)

c. ~~Care of a Disabled Family Member:~~ Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home. §5.609(c)(16)

4. ~~Lump-sum Additions:~~ Lump-sum additions to family assets; such as, but not necessarily limited to: §5.609(c)(3)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- a. ~~Inheritances;~~
- b. ~~Insurance payments, including payments under health and accident insurance and worker's compensation;~~
- c. ~~Capital gains;~~
- d. ~~Settlements for personal or property losses;~~
- e. ~~Deferred periodic payments of Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum payment.~~ §5.609(c)(14)
- 5. ~~Scholarships~~ §5.609(c)(6)
 - a. ~~Student Financial Assistance; The full amounts of student financial assistance, whether paid directly to the student or to the educational institution, are excluded from annual income if the student is younger than 18, or is 24 or older, or is financially independent from his or her parents, or is a veteran of the U.S. military, or is married, or has dependent children. See Appendix N Students' Eligibility for Vouchers~~
 - b. ~~Scholarships that are included in annual income for determining eligibility. See VI.A.2.k. above.~~
- 6. ~~Hostile fire pay; The special duty pay to a family member serving in the Armed Forces who is exposed to hostile fire.~~ §5.609(c)(7)
- 7. ~~Income from certain training programs:~~
 - a. ~~Amounts received under training programs funded by HUD as determined by the program's guidelines.~~ §5.609(c)(8)(i)
 - b. ~~Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).~~ §5.609(c)(8)(ii)
 - c. ~~Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (*special equipment, clothing, transportation, child care, etc.*). The payments must be made solely to allow participation in a specific program.~~ §5.609(c)(8)(iii)
 - d. ~~A resident service stipend, not to exceed \$200 per month, received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Payment in excess of \$200 a month will cause~~ §5.609(c)(8)(iv)

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~~the entire amount to be considered income. No resident may receive more than one such stipend during the same period of time.~~

- ~~e. Compensation from state or local employment training programs and training of a family member as resident management staff; this income is excluded only for a limited period as provided for in the program's guidelines.~~
- ~~f. Earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437 t) or any comparable federal, state, or local law during exclusion period.~~

§5.609(c)(8)(v)

~~§. — Certain earnings disregarded: Effective January 1, 2023, for persons with disabilities, the incremental earnings due to employment during a consecutive 12-month period following date of the initial hire shall be excluded.~~

§5.617

~~This exclusion is only available to the following families listed below.~~

~~This exclusion is available only to families that were eligible for and participating in the Earned Income Disregard (EID) program, and on January~~

~~This section applies to a family that is receiving the disallowance of earned income under this section on December 31, 2023.~~

~~This section will lapse on January 1, 2026.~~

Eligible families include the following:

- a. Families whose income increases as a result of employment of a family member with a disability who was previously unemployed or underemployed (defined as having earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage) for one or more years prior to employment.
- b. Families whose income increases as the result of new employment or increased earnings by a family member with a disability during participation in any economic self-sufficiency or other job training program.
- c. Families whose income increases as the result of new employment or increased earnings by a family member with

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a disability during or within 6 months after receiving assistance, benefits or services under a State TANF or Welfare-to-Work Program, or received one-time payments for wage or transportation subsidies or other TANF related benefits or services that totaled at least \$500 over the preceding six-month period from the date of hire.

During the second consecutive 12-month period after the date of initial hire, 50% of the increased income shall be excluded from income.

The disallowance of increased income of an individual family member is limited to a lifetime 24-month period. It only applies for 12 months of the 100% exclusion and 12 months of the 50% exclusion.

- ~~9. **Reparation payments:** Reparation payments paid by a foreign government pursuant to claims filed under the laws of the government by persons who were persecuted during the Nazi era. §5.609(c)(10)~~
- ~~10. **Earnings in excess of \$480 per year for each full-time student 18 years old or older (excluding the head of household or spouse).** §5.609(c)(11)~~
- ~~11. **Adoption assistance payments in excess of \$480 per adopted child.** §5.609(c)(12)~~
- ~~12. **Refunds or rebates received by the family under state or local law for property taxes paid on the dwelling unit.** §5.609(c)(15)~~
- ~~13. **Statutory Exclusions:** Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the National Housing Act of 1937 or Section 236 of the National Housing and Community Development Act of 1974. §5.609(c)(17)~~

~~The following are statutorily excluded from annual income:~~

- ~~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. Payments to volunteers under the domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);~~
- ~~c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(e));~~

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- d. ~~Income derived from certain submarginal land of the United States that is held in trust for certain Indian Tribes (25 U.S.C. 459e);~~
- e. ~~Payments or allowances made under the Department of Health and Human Services Low Income Home Energy Assistance Program (42 U.S.C. 8624(f));~~
- f. ~~Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-2504);~~
- g. ~~The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted land, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407);~~
- h. ~~Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under Federal work study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if that individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327)(as amended);~~
- i. ~~Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(g));~~
- j. ~~Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in the *In Re Agent* product liability litigation, M.D.L. No. 381 (E.D.N.Y.);~~
- k. ~~Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);~~

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- ~~l. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursements for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);~~
- ~~m. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l));~~
- ~~n. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);~~
- ~~o. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));~~
- ~~p. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and~~
- ~~q. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931);~~
- ~~r. Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);~~
- ~~s. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));~~
- ~~t. Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437A) by section 2608 of~~

SECTION 8 ADMISSION & OCCUPANCY POLICIES

~~the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289);~~

- ~~u. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under NAHASDA and administered by the Office of Native American Programs;~~
- ~~v. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., 816 F. Supp. 2d 10 (Oct. 5, 2011 D.D.C.), as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291); and~~
- ~~w. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) comparable disaster assistance provided by States, local governments, and disaster assistance organizations shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource tested benefit programs (42 U.S.C. 5155(d)).~~

Assets	
Table 1-2: A. Assets Include:	B. Assets Do Not Include:
<ol style="list-style-type: none"> 1. Amounts in savings accounts and six- or twelve-month average (whichever bank provides) balance for checking accounts. If a bank does not provide a 6 or 12-month average for checking accounts, the current balance will be used. 2. Stocks, bonds, savings certificates, money market funds and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset <u>and</u> reasonable costs (<i>such as broker fees</i>) that would be incurred in selling the asset. 4. The cash value of trusts that are available to the household. 5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty. 6. Contributions to company retirement/ pension funds that can be withdrawn without retiring or terminating employment. 7. Assets, which, although owned by more than one person, allow unrestricted access by the applicant. 8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims, deferred SSI and Social Security payments paid in a lump sum. 9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. 10. Cash value of life insurance policies. 11. Assets disposed of for less than fair market value during two years preceding certification or recertification. 	<ol style="list-style-type: none"> (i) <u>The value of necessary items of personal property;</u> (ii) <u>The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);</u> (iii) <u>The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;</u> (iv) <u>The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;</u> (v) <u>Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;</u> (vi) <u>The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A</u>

of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.

(vii) Interests in Indian trust land;

(viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;

(ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;

(x) Family Self-Sufficiency Accounts; and

(xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(xii) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

1.

1. Necessary personal property, except as noted in Column A; item 9 of this Table.

2. Interest in Indian Trust lands.

3. Assets that are a part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather

~~than business assets unless real estate is the family's main occupation.~~

- ~~4. Assets not accessible to the family and which provide no income for the family.~~
- ~~5. Vehicles especially equipped for the handicapped.~~
- ~~6. Equity in owner occupied cooperatives and manufactured homes in which the family lives.~~

Counts as income:

1. Actual income from assets if total assets are \$50,000 or less;
2. If assets are more than \$50,000, the greater of actual income from assets, or

Total assets x Passbook Savings Rate established by the PHA in accordance with HUD guidelines.

V. Verifying Applicants' Statements and Incomes

- Applicants shall be required to furnish proof of their statements when requested by the PHA.
 - All eligibility determinations will be fully documented in the files. 24 CFR §5.233
 - The PHA will utilize HUD's online "Upfront Income Verification" and "Enterprise Income Verification" (UIV/EIV) systems to the greatest extent feasible to verify employment, income and other eligibility information for all applicants and participants.
- A. Applicant Releases:** Applicants are required to sign release forms that authorize necessary third party verifications that include, but are not limited to, income and assets. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or third party documentation provided by the applicant, the applicant will not be required to sign release forms for those income sources.

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- B. Documentation from Applicant:** Applicants are required to submit documentation to the PHA to verify statements related to program eligibility.
- C. Use of Confidential Information:** Information that is obtained directly from applicants or from those persons authorized by the applicant will be used or disclosed only for purposes relating directly to the administration of the Section 8 Program. All information that is “private data on individuals” under the Minnesota Government Data Practices Act (*Minn. Statutes Sec. 13.01 and following*) will be handled in compliance with that law. Information obtained from HUD’s online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.
- D. Family Composition and Residency:** Certification by applicants will normally be considered sufficient verification of family composition and residence as provided by the applicant’s signature on the application. However, the PHA reserves the right to request additional verification.
- E. Income:** Except as stated below, all earned and unearned income must be verified at the time of admission through third parties, which may include HUD’s online UIV/EIV systems.
1. Written Third Party Verification. To the greatest extent feasible, income should be verified through acceptable documents that are generated by third parties, but are in the possession of and provided by the applicant.
 2. Verification Forms. If the applicant cannot provide acceptable third party documentation, the PHA may obtain the required verifications using forms sent to the third parties (employers, etc.).
 3. Oral Third Party Verification. If neither form of written verification can be obtained, the PHA may verify income information by contacting the income source(s) via telephone or in-person visit.
 4. Tenant Declaration. If none of the forms of third party verification listed above can be obtained, the PHA may at its discretion accept an affidavit or notarized statement by the applicant of reported income. Staff must document in the family’s file the reason(s) why third party verification was not available.

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5. EIV Verification. Within 90 days after the subsidy start date, the family's earned income must be verified through HUD's online UIV/EIV systems.
6. Preservation Vouchers. To facilitate the timely issuance of preservation vouchers to residents of a property that was formerly assisted under a contract between the owner and HUD for project-based rental assistance, the PHA may issue the preservation vouchers and calculate initial tenant rents and Housing Assistance Payments based on tenant income and other eligibility information that the property owner has already submitted to HUD's MTCS/PIC tenant data systems on the most recent form HUD-50059, "Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures". The PHA will verify income for participants who have HUD-50059 forms dated earlier than 6 months from the effective date of conversion to tenant-based voucher assistance, but reserves the right to conduct a full-income review in any circumstance.
7. Portability Vouchers. For voucher participants "porting in" to St. Paul from another jurisdiction, the PHA may use the household composition and income information submitted by the sending housing agency on HUD's Tenant Data Form (HUD-50058) rather than re-verifying all of the information immediately. The PHA will verify income for participants who have HUD-50058 forms dated earlier than 6 months from the effective date of porting in, but reserves the right to conduct a full-income review in any circumstance.
8. "Safe Harbor" Verifications. The PHA will accept verification from any means-tested program permitted by HUD, which includes but is not limited to income calculations from the following:
 - a. Temporary Assistance for Needy Families block grant (TANF),
 - b. Medicaid,
 - c. Supplemental Nutrition Assistance Program (SNAP),
 - d. Earned Income Tax Credit,
 - e. Low-Income Housing Tax Credit (LIHTC),
 - f. Special Supplemental Nutrition for Woman, Infants, and Children (WIC) and
 - g. Supplemental Security Income (SSI).

This verification must include the tenant's family size and composition and state the family's annual income. The verification must also be dated within the time frame specified for the type of verification, including within the previous 12-month period for purposes of the specified means-tested form.

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- F. Assets:** If the total value of reported assets is \$50,000 or more, their value must be verified in the same manner as income (see above). The PHA may accept the applicant’s declaration of the amount of assets equal to or less than \$50,000, and the amount of income expected to be received from those assets. In such cases the PHA must verify the information in accordance with HUD guidance, currently every three years.
- G. No Income:** The absence of income will be verified through third parties where possible. Applicants reporting no income will be required to sign a statement certifying that they are receiving no income.
- H. Misrepresentation:** Any material misrepresentation on the part of an applicant revealed through the application process or otherwise, may result in a determination of ineligibility. The applicant shall be notified in writing of such determination by the PHA, and shall be given the opportunity to request an informal review of the matter.
- I. Domestic Abuse Certification:** The PHA may require a applicant or participant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See **Appendix M, VAWA Policy**).

VI. Eligibility Determination

- A. Verification of Statements:** Statements made by applicants on their application are verified, and a final determination of eligibility is made by the PHA before offering them rent assistance. §982.201
- B. Notification of Eligibility:** When evidence supports eligibility, applicants are notified in writing by the PHA.

VII. Notification To Ineligible Families

- A. Notice to Applicants:** The PHA will give an applicant prompt written notice of a decision denying their assistance. This includes a decision denying placement on the PHA waiting list and/or the issuance of a Housing Choice Voucher. The notice must contain a brief statement of the reasons for the PHA decision. §982.201(f)
- B. Informal Review:** The notice shall also state that applicants may request an informal review of the decision and shall describe how to obtain the informal review. §982.554

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The PHA will not provide an informal review in the following instances:

1. Discretionary administrative determinations by the PHA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the PHA Subsidy Standards.
4. A PHA determination not to approve an extension or suspension of a voucher term.
5. A PHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
6. A PHA determination that a unit selected by the applicant is not in compliance with HQS.
7. A PHA determination that the unit is not in accordance with HQS because of the family size or composition.

(See **Appendix G. for Informal Review Procedure**).

Part Three: Rent Calculations

- | | | |
|------|---|------------------------------------|
| I. | <p>Overview: The amount of rent paid by Section 8 participants will vary depending on the family income, rent to owner, minimum rent requirements and hardship waivers.</p> | <p>Refer to:
24 CFR</p> |
| AA. | <p>The program has a minimum amount of rent a tenant must pay. Adjusted monthly income is used in calculating the rent to a minimum level of \$50.</p> <ol style="list-style-type: none"> 1. A family may request a hardship waiver of the \$50 minimum rent payment. (See Appendix C.) | <p>§5.630</p> |
| BB. | <p>Adjusted Household Income is annual income minus allowances for dependents and certain expenses to care for children and handicapped household members. Elderly and disabled households have an additional allowance and may also deduct certain medical expenses.</p> | <p>§5.611</p> |
| CC. | <p>No Duplicate Subsidy is allowed for either form of assistance. This means that no household, while being assisted by a Section 8 Voucher, may receive one of the following:</p> <ol style="list-style-type: none"> 1. Other Section 8 housing assistance programs; 2. Section 236 Rental Assistance Deep Subsidy Payments, OR; 3. Other duplicative public housing, federal, state or local housing subsidy. | <p>§982.352</p> |
| III. | <p>Total Tenant Payment: In calculating the rental assistance available to tenants, the PHA must use a formula, called a Total Tenant Payment, commonly abbreviated as “TTP.” Adjusted monthly income is one of the factors in the formula.</p> <ol style="list-style-type: none"> A. Formula for Calculating TTP: Total Tenant Payment is the highest payment resulting from the following four options: | <p>§5.628</p> |

Total Tenant Payment	
1. 10% of total Gross Monthly Household Income; OR	
2. 30% of total Monthly Adjusted Household Income; OR	\$5.611
3. If a household receives assistance under the Minnesota Supplemental Assistance program (MSA), that portion is designated for shelter and utility costs; OR	
4. \$50.00 minimum rent. It is possible for families to still qualify for a utility reimbursement despite the \$50.00 minimum rent requirement. For example, if a family's TTP is the minimum \$50.00 and the PHA's utility allowance is \$60.00 for that unit, the family would receive a utility reimbursement of \$10.00 for tenant-purchased utilities. <i>(See Appendix C for Minimum Rent Hardship Waiver Policy).</i>	

B. Gross Monthly Household Income is calculated by:

1. Determining the annual income (as defined in Part One of this document), and;
2. Dividing it by twelve.

C. Monthly Adjusted Household Income is calculated by:

1. Determining the annual income (as defined in Part One of this document), and;
2. Adjusting it by subtracting the deductions shown below; and;
3. Dividing it by twelve.

Deductions Available to all Households

§5.611

- \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;~~\$480 for each dependent who is a member of the household.~~
- Reasonable **child care expenses** for household members under the age 13 that enable a household member to have paid employment or go to school.
- ~~Handicapped-Disability assistance expenses~~ **Handicapped-Disability assistance expenses** in excess of ~~3~~**10**% of annual income threshold. Once that threshold has been met, all eligible handicapped and medical expenses in excess of ~~10~~**3**% of annual income are deductible.

Deductions Available to Elderly and Disabled Households Only

- ~~\$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25~~~~\$400 per elderly household when the head or spouse is at least age 62, or is handicapped or disabled. Only one deduction per household may be taken even if both members are over age 62 or handicapped or disabled.~~
- ~~Anticipated medical expenses in excess of 3% of annual income. All household members' medical expenses are included in this calculation.~~
- The sum of the following, to the extent the sum exceeds 10% of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined 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.
 - ~~Elderly households may combine~~ **Elderly households may combine** their handicapped assistance expenses and medical expenses to reach the 3% of annual income threshold. Once that threshold has been met, all eligible

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~~handicapped assistance and medical expenses in excess of 3% of annual income are deductible.~~

- Both the elderly/disabled deduction and the dependent deduction are now indexed to inflation (rounded to the next lowest multiple of \$25).

- Hardship Exemption: For families that are receiving the 3% unreimbursed health and medical care expense and reasonable attendant care and/or auxiliary apparatus expense deduction as of January 1, 2024, annual reexaminations beginning after January 1, 2024 will have the threshold increased to 5 percent the first year, 7.5 percent the second year, and reaching the new statutory standard of 10 percent in the third year. §5.611(c).
- Additional Hardship Relief: If an elderly family or a family with disabilities demonstrates that it is experiencing a financial hardship, because the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances (as defined by the PHA) that would not otherwise trigger an interim reexamination, the family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.
- The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.
- This hardship relief can be extended for additional 90-day periods at the discretion of the PHA based on the family's circumstances or terminated if the PHA determines that the family no longer needs the exemption.
- Hardship exemption for Childcare expenses: Households that become ineligible for the child care expense deduction (for example, because child care is no longer necessary to enable a member of the family to be employed or to further his or her education) can request a hardship exemption to retain the childcare expense deduction for 90 days if they can demonstrate that they would be unable to pay rent due to loss of the deduction.

DD. Deductions and Related Definitions:

11. An **elderly household** is a family whose head or spouse, or only member, is at least age 62 or who is a person with a disability.

22. **"Dependent"** is defined as:

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- aa. A person who is under 18 years of age, or
- bb. A person with a disability, or §5.611
- ce. Full-time students who are over the age of 18 and §5.403
are members of the household. They are considered
a member of the household if they live in the
household during the school term. They must carry
a full-time subject load at an educational institution
with a degree or certification program. The
institution defines what is a full-time subject load.

- d. The definition of “**Dependent**” does not include: §5.603
 - 1) The Family Head or Spouse;
 - 2) Foster children; or
 - 3) Foster adults.

33. **A Person with a Disability** is a person with disabilities as defined in 42 U.S.C. § 423 or who has developmental disabilities as defined in 42 U.S.C. § 15002 (8)(A). The following is a summary of these requirements:

aa. 42 U.S.C. § 423 defines a disability as: (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or (B) in the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

bb. 42 U.S.C. § 15002 (8)(A) defines developmental disability as: **(8) Developmental disability**
(A) In general
The term “developmental disability” means a severe, chronic disability of an individual that--

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

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- (ii) is manifested before the individual attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity:

- (I) Self-care.
- (II) Receptive and expressive language.
- (III) Learning.
- (IV) Mobility.
- (V) Self-direction.
- (VI) Capacity for independent living.
- (VII) Economic self-sufficiency; and
- (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and young children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- c. **Review of Disability.** The PHA may review a participant's disability status during their participation in the voucher program, if there is reason to believe that the participant is no longer a person with disability as defined above.

44. **A Person with disabilities means** an “individual with handicaps”, as defined in § 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities. §5.403(4)

55. **Disability assistance expenses** are reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. §5.603(b)

66. **Child care expenses** are amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is §5.603(b)

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computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

77. **Health and Medical expenses** are ongoing and anticipated medical costs, including medical insurance premiums that are not covered by insurance or otherwise reimbursed. The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses. Only elderly and disabled households are eligible for this deduction.

a-

III. Utility Allowances: The PHA determines an allowance for any tenant-paid utilities based upon normal consumption by an energy-conscious household.

- A. The utility allowance includes electricity, gas, water, sewer and charges for other services such as garbage removal. These figures are updated annually and are adjusted by the size of the unit, type of the building, and the type of utility. §5.603
§5.611
- B. The utility allowance does not include telephone or cell phone, cable TV or internet service.
- C. The current schedule of Saint Paul PHA's Utility Allowances is found in Table 3-1.
 - 1. **Utilities Paid by Tenants:** If utilities, or a portion of them, are not included in the rent, the appropriate utility allowances are subtracted from the Total Tenant Payment (TTP) to determine the actual Tenant Rent. The tenant is responsible for paying the cost of utilities directly to the service providers. §982.517
 - 2. **Utility Reimbursement:** When TTP is less than the PHA utility allowance, the PHA will the pay the difference to the tenant each month. The payment will continue until the TTP is recalculated and the family no longer qualifies for a utility reimbursement.

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The PHA has the option to pay the utilities directly or require the family to co-sign the utility reimbursement and issue it jointly to the utility company.

Table 3-1

**SECTION 8 EXISTING HOUSING
ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICE
EFFECTIVE - November 1, 2022 (new/movers)
EFFECTIVE - January 1, 2022 (annuals)**

M= Multiple Dwelling (Includes Low-Rise Bldgs (<4 stories) and High Rise Bldgs (>5 stories))

T/D= Townhouse/Duplex (Includes Semi-Detached, Bungalows and Rowhouses)

SF= Single Family Home

UTILITY/ APPLIANCE	0-BR	1-BR			2-BR			3-BR			4-BR			5-BR	6-BR
		M	T/D	SF	M	T/D	SF	M	T/D	SF	M	T/D	SF		
HEATING Gas	38	40	54		67	79	103	76	98	114	107	115	130	157	173
District Energy	24	44	44	55	63	63	75	69	69	85	87	87	104	93	97
Electric	26	34	69	87	46	79	135	64	88	131	74	100	143	154	158
COOKING Gas	6		7			13			15			16		17	18
Electric	8		9			14			17			19		21	23
OTHER ELECTRIC	15		24			39			50			55		57	64
WATER HEATING Gas	13		15			24			29			36		48	51
District Energy	7		15			22			22			31		31	34
Electric	12		14			23			28			35		46	50
WATER & SEWER	28	39	54	54	44	58	58	50	68	68	55	83	83	91	107
TRASH COLLECTION	10	10	26	26	10	35	35	10	37	37	10	37	37	37	37
RANGE	4		4			4			4			4		4	4
REFRIGERATOR	5		5			5			5			5		5	5

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IV. **Section 8 Rent Terms:** There are four terms used in the program to define different rent concepts:

AA. Contract Rent: This is the total amount of rent an owner charges for a unit occupied by a family being assisted by Section 8. It is the amount that will be listed in the Housing Assistance Payment contract and the Lease Agreement. §882.102

BB. Gross Rent: This is the total of the Contract Rent plus the utility allowance. If there is no utility allowance because the contract rent includes all utilities, the Gross Rent and the Contract Rent will be the same amount. §982.4

C. Family Rent to Owner: This is the portion of rent to owner paid by the family. §982.515

D. Family Share: The portion of rent and utilities paid by the family.

V. **Voucher Program Rents**

AA. Payment Standards: The PHA's share of the rent (*referred to as "subsidy"*) is set by a formula which uses a Payment Standard instead of the Fair Market Rent (FMR).

1. The PHA establishes Payment Standards by number of bedrooms. The Payment Standard for the family must be the lower of: §982.503

- a. The Payment Standard for the family's voucher size; or
- b. The Payment Standard for the unit size actually rented by the family.

2. Payment Standards are set between 90% and 110% of the FMR.

3. If the PHA has established an exception rent area, the Payment Standard used for a Voucher calculation becomes the appropriate exception rent only for a unit leased in the exception rent area.

4. The PHA may approve, on a case-by-case basis, an exception rent up to 120% of the applicable Payment Standard as a reasonable accommodation for a disability. The PHA will evaluate the reasonableness of the rent and the extent to which the unit accommodates the disability in making its decision to approve these exception rents.

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

BB. Family Share: The following describes the process for determining the Family Rent:

- 1. The tenant family's Total Tenant Payment (TTP) is first calculated. §5.628
- 2. The maximum amount of subsidy the family can receive is the lower of: §982.505
 - a. The Payment Standard minus the TTP; or
 - b. The gross rent minus the TTP.
- 3. The family rent to owner is calculated by subtracting the housing assistance payment to the owner from the rent to owner. §982.515

CC. Selected Unit: The tenant may choose a unit that rents for more or less than the Payment Standard. If the unit rents for more than the Payment Standard, the tenant will pay more than the TTP as their share for rent. The subsidy will remain the same if the unit rents for more or less than the Payment Standard.

However, at the time the PHA approves a tenancy for initial occupancy of a dwelling unit, the family share must not exceed 40% of the family's monthly adjusted income. §982.508

DD. Size of Unit: Units must meet Section 8 Housing Quality Standards in order to be eligible. §982.401

- 1. The PHA will not prohibit a family from renting a unit with greater or fewer bedrooms than the number stated on the Voucher. §982.402
 - a. The unit must meet the applicable HQS space requirements.
 - b. A decision to rent a larger unit with a Contract Rent above the Payment Standard may require the family to pay more than 30% of adjusted income for rent and utilities.
 - c. The selected unit must meet the PHA's Subsidy Standards (*formerly called "Occupancy Standards"*).

EE. Payment Standard Changes: The Payment Standard that applies to a household when their initial lease is approved, or §982.505(b)4,5

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

at the time of their most recent annual Reexamination, will continue to be used to determine the amount of subsidy they will receive unless one of the following applies:

1. If the payment standard increased during the HAP contract the new payment standard will be used to calculate the assistance payment for the family beginning with the family’s first regular re-examination on or after the effective date of the increase in payment standards.
2. Irrespective of any change to the payment standards during the HAP contract, if the family unit size increased or decreases, the new family unit size must be used to determine the payment standard amount for the family beginning at the family’s first regularly scheduled re-examination following the change in family unit size.

FF. Current Payment Standards: The Housing Voucher Payment Standard Schedule for rental units in the City of Saint Paul is as follows:

Table 3-3.	
PAYMENT STANDARDS	
UNIT SIZE:	AMOUNT:
0 Bedroom	\$ 1,065
1 Bedroom	\$ 1,225
2 Bedroom	\$ 1,510
3 Bedroom	\$ 1,945
4 Bedroom	\$ 2,340
5 Bedroom	\$ 2,685
6 Bedroom	\$ 3,035

These payment standards are effective on November 1, 2022 for new move-ins on or after that date, and on January 1, 2023 for all other current applicants, shoppers, and current participants with annual recertifications of eligibility that are effective on that date or later.

**PART SIX:
CONTINUED PARTICIPATION**

I. OVERVIEW

Refer to:
24 CFR

A. Compliance with Lease and Program Requirements: To remain eligible for Section 8 Rent Assistance, the family must comply with the terms of their Voucher, their lease and the other program requirements listed in these policies.

B. Annual Re-Examinations:

§982.551
§5.617(a)

1. At least once a year, the PHA must re-examine a family's eligibility for continued participation in the program. The PHA will review household income, unit rent, family composition, the amount of the utility allowance, the appropriateness of the unit size occupied by the family, and the reasonableness of the rent. Except as stated below, all income and assets will be verified according to the policies listed under Section V. of Part One of this document. The unit is also inspected annually for compliance with Section 8 Housing Quality Standards unless the PHA determines that it is eligible for biennial inspections under Section X.B. below.

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2. The PHA may conduct a streamlined reexamination of income for families when at least 90 percent of the family's income consists of fixed income. In such cases the PHA must obtain third-party verification of all income amounts and assets at least once every three years. See IV.D. below.

24 CFR §5.657
FedReg
12/12/2017

P.L. 114-87

C. Interim Rent Re-determinations: If there are changes in a family's circumstances between the dates for an annual re-examination, the amount of Family Rent may also change.

D. On-Going Information and Assistance to Families: The PHA will provide on-going information and assistance to families on matters within the Agency's scope of responsibility. PHA staff will refer families to the appropriate social services agency when the need for information or supportive services is beyond the PHA's mission as a housing agency.

II. REQUIREMENTS FOR CONTINUED ELIGIBILITY

- A. Obligations of the Family:** When a family's unit is approved and the Housing Assistance Payment Contract is executed, the family must follow the terms specified in the lease and the rules listed below in order to continue participating in the Section 8 Voucher Program. §982.551
1. The Family must:
 - a. Supply any information that the PHA or HUD determines to be necessary, including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
 - b. Disclose and verify Social Security numbers and sign and submit consent forms for obtaining information.
 - c. Supply any information requested by the PHA to verify that the family is living in the unit or information related to family members' absence from the unit.
 - d. Promptly notify the PHA in writing when the family is away from the unit for an extended period of time in accordance with PHA policies.
 - e. Allow the PHA to inspect the unit at reasonable times and after reasonable notice.
 - f. Notify the PHA and the owner in writing before moving out of the unit or terminating the lease. This must be done in accordance with the terms and conditions of the lease.
 - g. Use the assisted unit for residence by the family. The unit must be the family's only residence.
 - h. Notify the PHA in writing within 10 working days of a birth or adoption, or when awarded custody of a child.
 - i. Request PHA written approval to add any other family member or other person as an occupant of the unit. The composition of the assisted family living in the unit must be approved by the PHA. No other person may reside in the unit.

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- j. Promptly notify the PHA in writing if any family member no longer lives in the unit.
 - k. Give the PHA a copy of any owner eviction notice.
 - l. Pay utility bills and supply appliances that the owner is not required to supply under the lease.
 - m. Disclose to the PHA, within 10 working days of receiving it, any information received from HUD on income, earnings, wages or unemployment compensation discrepancies pursuant to HUD's income matching verification procedures.
2. Any information the family supplies must be true and complete.
 3. The family (*including each family member*) must not:
 - a. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
 - b. Commit any serious or repeated violation of the lease.
 - c. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
 - d. Engage in drug-related criminal activity or violent criminal activity, or other criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
 - e. Sublease or let the unit or assign the lease or transfer the unit.
 - f. Receive Section 8 tenant-based program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
 - g. Damage the unit or premises (*other than damage from ordinary wear and tear*) or permit any guest to damage the unit or premises.

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- h. Receive Section 8 tenant-based program housing assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
- i. Engage in illegal use of a controlled substance; or abuse of alcohol that threatens the health and safety or right to peaceful enjoyment of the premises by other residents.

B. Families Receiving Zero Rental Assistance: Participants §982.312
will remain eligible for the Section 8 Program for 180 days, or §982.455
six months, at zero rental assistance if their income increases
to a point that their Total Tenant Payment (TTP) is equal to or
exceeds the gross rent for the unit. The Housing Assistance
Payment Contract between the PHA and the owner terminates
automatically 180 calendar days after the last correct housing
assistance payment to the owner.

C. Persons Temporarily Absent from Unit: Participant families §982.312
who must be out of their unit for an extended period of time due
to vacation, hospitalization or imprisonment, will remain
eligible for continued participation, subject to PHA approval,
provided that they:

1. Remain in compliance with the terms of the Section 8 Program and their Assisted Lease;
2. Supply any information or certification requested by the PHA to verify that the family is residing in the unit, or relating to family absence from the unit;
3. Remain absent from the unit for a period of no more than 180 consecutive calendar days in any circumstance, or for any reason.

Housing Assistance Payments terminate if the family is absent for longer than the maximum period permitted. The Housing Assistance Payment Contract and lease also terminate.

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D. Death of a Section 8 Participant: When a Section 8 participant dies, and there are no remaining members of the tenant family, the HAP subsidy ends with that month. The PHA is not permitted to pay a subsidy for the any portion of the following month.

E. Family Separation: Participant families who separate while being assisted under the tenant-based programs will be assessed on a case-by-case basis to determine which family members if any, will remain assisted under the program. Except in cases involving domestic abuse (see #5 below), the PHA policy will be that:

1. Only adult family members who were listed on the voucher application at the time of admission to the program are eligible to receive the voucher when there is a family separation, except in special circumstances. §982.315
2. The Head of Household or other adult household member who has custody of any minor children listed on the voucher application at the time of admission may retain the use of the tenant-based Voucher upon family separation.
3. Remaining adult members of the household may not be eligible to retain the voucher assistance if the Head of Household chooses to move out of the assisted unit or ends his or her voucher participation, or if the PHA terminates the Head of Household's eligibility. The PHA may allow the remaining adult household member(s) to retain the voucher assistance based on a showing of special circumstances.
4. If the family assisted by the voucher separates as the result of a divorce or separation under a settlement or judicial decree, the PHA will follow any court determination of which family members keep the Voucher assistance.
5. In cases involving domestic abuse, the PHA may allow the victim(s) to keep their Voucher assistance and require the perpetrator(s) of the domestic violence to be removed from the lease, even if the perpetrator is the Head of Household.

F. Family Moves With Continued Assistance: A participant family may move to a new unit with continued tenant-based assistance if:

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1. The Assisted Lease for the old unit has terminated. This includes a termination because: §982.354
 - a. The PHA has terminated the Housing Assistance Payment Contract for the owner's breach of the terms of the contract, or,
 - b. The lease has terminated by mutual agreement of the owner and the tenant.
2. The owner has given the tenant a Notice to Vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant.
3. The tenant has given Notice of Lease Termination.
 - a. The family may terminate the lease in accordance with the terms of the lease. §982.314
 - b. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the Notice of Termination at the same time. §982.309
4. Victim of Domestic Violence. A family may move to another unit with continued tenant-based assistance if the family has complied with all other obligations of the Section 8 program but may have moved out of the assisted dwelling unit without giving proper notice in order to protect the health and safety of a family member who is or was the victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit. The PHA may require an applicant or participant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix M, VAWA Policy).
5. If the family wants to move to a new unit and receive rental assistance, the family must notify the PHA and the owner prior to moving from the old unit.

III. TERMINATING ASSISTANCE TO ILLEGAL DRUG USERS AND ALCOHOL ABUSERS

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The PHA may terminate Section 8 Assistance to any participant if it determines that the participant or any member of the participant's household is illegally using a controlled substance or if it determines that the abuse of alcohol by the participant or any member of the participant's household interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. See Part One, Section II. §982.552

IV. ANNUAL RE-EXAMINATIONS

A. Timing of Annual Re-Examinations: Re-examinations are conducted at least annually, based on the anniversary date of the family's initial move-in date into that unit. §5.617
§982.516

B. Requirements for Annual Re-Examinations:

1. **Application for Tenant Eligibility and Re-Certification:** The family must complete an Application for Continued Participation.

2. **Use of Confidential Information/Data Practices:** Information that is obtained directly from participants, or from those persons authorized by participants, will be used or disclosed only for purposes relating directly to the administration of the Section 8 Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

3. The PHA may conduct a streamlined income determination for families when at least 90 percent of the family's income consists of fixed income. In such cases, the PHA must obtain third-party verification of all income amounts and assets at least once every three years. 24 CFR §5.657
FedReg
12/12/2017

C. Streamlined Annual Reexaminations for families on fixed incomes.

1. The PHA may conduct a streamlined reexamination of income for families when at least 90 percent of the family's income consists of income from fixed income sources. The PHA will recalculate family incomes by applying any published cost of living adjustments to the

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previously verified income amount. This policy is effective April 1, 2018.

2. Definition of “fixed income”. For purposes of this section, the term “fixed income” means periodic payments at reasonably predictable levels from one or more of the following sources:
 - a. Social Security, Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
 - b. Federal, State, local, and private pension plans; and
 - c. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts,
 - d. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
3. Method of streamlined income determination. A PHA using the streamlined income determination must adjust a family’s income according to the percentage of a family’s unadjusted income that is from fixed income.
 - a. When 90 percent or more of a family’s unadjusted income consists of fixed income, the PHA using a streamlined income determination must apply a COLA or COLAs to the family’s sources of fixed income, provided that the family certifies both 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.
 - b. When more than 90 percent of a family’s unadjusted income consists of fixed income, the PHA will assume there is no change in the amounts of non-fixed income, unless the family reports a change in that income.
 - c. 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 individually. The PHA must determine all other income pursuant to Part 1 Section V.
4. COLA rate applied by PHAs. PHAs using streamlined income determinations must adjust a family’s fixed income

using a COLA or current interest rate that applies to each specific source of fixed income and is available from a public source or through tenant provided, third-party-generated documentation. If no public verification or tenant-provided documentation is available, then the PHA must obtain third-party verification (from the tenant, if applicable) of the income amounts in order to calculate the change in income for the source.

5. Triennial Verification

For any income determined pursuant to a streamlined income determination, a PHA must obtain third-party verification of all income amounts every 3 years.

V. INTERIM RE-EXAMINATIONS

§982.516
§982.551

The PHA may conduct re-examinations more frequently than once a year due to special family circumstances or changes in program regulations. The family's eligibility for continued occupancy will only be determined during a regular or interim re-examination.

A. Unusual Income Situations: The PHA will initiate more frequent re-examinations under the following circumstances:

1. Families with **zero income** must have their incomes re-examined at least every 180 days. (Families with zero-income are required to report any income increase, as described below.)
2. Families with **income that cannot be projected with reasonable accuracy** due to its temporary or sporadic nature may have more frequent re-examinations. The PHA will set a schedule for interim re-examinations that is appropriate to the family's circumstances.
3. If a family has a pattern of seasonal or irregular income that results in reasonably consistent annual income from year to year, as shown by data in HUD's Enterprise Income Verification (EIV) online data system or similar reliable data source(s), the PHA will calculate the family's rent based on that historical data.
4. A family with a pattern of seasonal income, that does not result in reasonably consistent annual income from year to year, may have their rent based on a year-around average, using records of recent years' income patterns.

B. Other Interim Re-Examinations: Between regularly scheduled re-examinations, if there are changes in a family's income, household composition, or eligible deductions, an interim re-examination may be conducted.

1. Family Requests for Re-Examinations (Optional):

Families have the choice of requesting an interim re-examination under the following circumstances:

- a. They receive a decrease in income of at least 10%, which may result in a rent decrease; or
- b. They have an increase in the following eligible allowances or deductions:
 - (1) An increase in expenses for the care of a child or member with a handicap, or
 - (2) An increase in permissible deductions and/or expenses due to a change in HUD regulations, or
 - (3) For elderly families only, an increase in medical expenses; or
 - (4) An increase in the number of dependents.

2. Circumstances Requiring an Interim Re-Examination:

An Interim Re-examination must be performed when any one of the circumstances listed below occurs. In these circumstances, all changes in household status and income will be considered in determining Total Tenant Payment.

- a. **Required Reporting.** The participant is required to report, in writing, within 10 days of the date the change occurs, any changes in income or family composition as described in the following categories under this Section.

§982.551(h)(2)

- b. **Required Reporting:** Tenants must report all changes in household composition involving:

1. Any addition or loss of an adult member (see also Section II.A.h.-i. above); or

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2. The addition or loss of a minor to the household.
(see below).

(However, the addition of a newborn to the household does not require an interim re-examination unless the addition of the newborn would be accompanied by an increase in monthly income of ~~\$2,000~~ 10% or more.)

- c. **Household Changes; Guests/Visitors:** New persons may not be added to the household without the PHA's prior approval other than the addition of a child by birth, adoption or award of legal custody. The PHA will not approve the addition of new household member(s) if doing so would cause the unit to be overcrowded. The household voucher size will only be increased if the addition of household member(s) is of a long-term duration (12 months or more).

A family must get written approval from the PHA if a guest or visitor will be staying in the unit for more than 14 days over a twelve-month period. If the family does not receive the PHA's written approval, the PHA may determine that the person should be considered a member of the household for purposes of income and rent determination; and the PHA may also determine that the presence of the unauthorized person is grounds for termination of the voucher assistance.

- d. **Adding Minors to a Household:** The PHA may approve a head of household's request to add a minor to the household if the head of household or another adult household member proves that he or she has legal custody of the minor, by providing one of the following documents:
 1. Birth certificate showing that the adult household member is the biological parent of the minor; or
 2. Legal proof of adoption; or
 3. Court order awarding custody; or
 4. Written Delegation of Parental Authority, under Minnesota

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Statutes Section 524.5.211,
executed within the last 12
months (see below); or

5. Legal proof of foster care and intended placement in the household for at least 184 days, confirmed by the placing entity.
6. In every case, in order to be considered a member of the household, a child must be in the unit at least 184 days in a calendar year.

NOTE: A Delegation of Parental Authority, under the statute, is a temporary delegation of authority from a parent of a child to another adult, valid for up to one year. It should be reviewed annually and may be renewed.

- e. **Increased Income:** Families must report an increase in monthly house-hold income. An interim rent calculation will only be processed if/when the cumulative increase in unearned gross monthly household income totals ~~\$2,000~~10% or more from the previous rent portion calculation. Interim rent calculations are not processed for increases in earned income except in special circumstances outlined below. In addition, an interim recertification will not be processed if a household reports an increase in income within three months of their next annual reexamination effective date. In these circumstances, the increase will be accounted for during the annual reexamination. §982.516

f. **Exceptions to Increased Income Threshold**

~~(1) (1)~~—A household that has been certified as having no income (a zero-income family) must report all income increases, and the rent will be adjusted accordingly.

(2) If the household's income (earned and/or unearned) has increased after having reported a decrease in household income since their last annual recertification, the household must report all increases and the rent will be adjusted accordingly, applying the 10% threshold for interim increases.

(2) If the household's income increases due to another person joining the family, the rent will be adjusted.

g. **PHA Error**

(1) When an error is made by the PHA at admission or re-examination, the participant must report the error to the PHA as soon as they become aware of it so an Interim Re-Examination can be conducted.

(2) No retroactive rent increase will be made against the family for the difference in rent resulting from the PHA's error.

(3) De Minimis Errors: De minimis errors are defined as errors where the PHA's determination of family income varies from the correct income determination by no more than \$30 in monthly adjusted income. The PHA is required to fix errors after becoming aware of them by correcting the certification. When a de minimis error results in the family being overcharged, the PHA must credit or refund the household regardless of the amount. If the error results in the family being undercharged, the family is not required to repay the PHA. In those circumstances the PHA will ensure that the household's account is credited to offset any charges resulting from the corrected certification.

C. Timing of Changes for All Participants: Upon completion of an annual or interim re-examination, the PHA will promptly notify the family and owner of the new Family Rent, Housing Assistance Payment and Total Rent to Owner.

1. **Interim Changes:**

Increases in rent resulting from required **interim** redeterminations (Section V.B.2. above) will be effective the first of the month that begins at ~~least 60~~ 30 days after the

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month in which the change in status actually occurred, provided the increase is reported timely. If the change is not reported timely, any resulting rent increase is retroactive to the first of the month following the date that the change in status occurred.

Decreases in rent resulting from optional **interim** redeterminations (Section V.B.1. above) will be effective the first of the month following the date the change in status occurred if reported timely. If not reported timely, the decrease will be implemented no later than the first of the month following completion of the reexamination that begins at least 30 days after the month in which the change in status was reported.

- 2. Increasing the Voucher Size:** When the addition of household members by birth, adoption or award of legal custody would require a change to the voucher size, the voucher size will be increased at the next change of unit or regularly scheduled re-examination, whichever comes first, unless the addition to the household causes the household to be overcrowded. If the household is overcrowded as a result of the added members, the PHA may approve a larger voucher and if so, will require the family to move to a larger unit within a reasonable period of time.

If the addition of adults, with or without their children, would cause the unit to be overcrowded, the PHA will not approve the addition. If it does approve the addition, the PHA will not increase the voucher size until the annual reexamination that occurs at least 12 months after the PHA approved the addition.

- 3. Reducing the Voucher Size:** When household members move out of the assisted unit and the family is no longer eligible for its current voucher size, the PHA will reduce voucher size no later than the next regularly scheduled re-examination.
- 4. Failure to Report Income Increases or Change in Household Size:** If the family fails to report an increase in total family earned income of 10%\$2,000- per a month or more, an increase in income (earned or unearned) after having previously reported a decrease, or ~~fail to report an increase or decrease in the household size,~~ the PHA may increase the required Family Rent retroactively, or terminate

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the family from the Section 8 Program for failure to comply with program regulations. ~~The rent increase may be imposed retroactive to the first day of the second month after the increase in income occurred.~~

5. **Notification:** The PHA will notify the family in writing of any change in the Family Rent and state the reasons. The PHA will give the family an opportunity to request an informal hearing on the matter.

VI. RENT CHANGES

At least three months prior to the annual re-exam date, the owner is notified of the family's annual re-exam and pending HQS inspection. Any changes to the lease, including rent increases, will be processed according to the terms of the lease. The owner must notify the tenant in writing of any changes with a copy to the PHA.

A. Rent Determinations: Any increase requested by the landlord must meet the rent reasonableness test and must be agreed to by the family and the landlord. If the family does not agree to the rent increase proposed by the landlord, they may give proper notice to vacate the unit. Family Rents may change if the Payment Standard changes. The Payment Standard for the family must be changed at the time of re-examination if one of the following occurs:

§887.353(b)(2)
§982.505

1. The PHA's Payment Standard applicable to the family has increased;
2. New Subsidy Standards have been adopted by the PHA that change the unit size for which the family qualifies;
3. The family's size or composition has changed, requiring a different unit size;
4. The family moves, and the new unit has a different Payment Standard.

VII. INELIGIBILITY DETERMINATIONS

Participants will be ineligible for continued participation if any of the following occurs:

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- A. The family fails to comply with any of the obligations under this program; (*See Part One, Section II.B. for additional grounds for termination of assistance*). §982.552(c)(1)(i)
- B. The family fails to comply with the terms of a Payment Agreement for monies owed to the PHA or to another housing authority. See also Part 6, XIV. Debts Owed to the PHA; Payment Agreements. §982.552(c)(1)vii
§982.455
- C. The family receives no rent assistance for six months (that is, if the family's income has remained at a level where their TTP is equal to or exceeds the gross rent for the unit). The Housing Assistance Payment Contract between the PHA and the owner terminates automatically 180 days after the last Housing Assistance Payment to the owner. §982.312
- D. If all members of the participant family are out of the unit for a period of more than 180 consecutive days for any reason, Housing Assistance terminates.

VIII. NOTICE TO INELIGIBLE FAMILIES

- A. **PHA Notice:** The PHA will give the participant prompt written notice of a decision that the family has been determined to be ineligible for continued program participation. The written notice will contain a brief statement of the reasons for the decision. §982.552
§982.555
- B. **Informal Hearing:** The notice will state that if the participant does not agree with the determination, the participant may request an informal hearing to present objections to the determination. The request for an informal hearing must be in writing, and it must be received by the PHA within 10 days of the date of the PHA notification letter.
 - 1. The PHA will not provide a participant family an opportunity for an informal hearing in the following instances:
 - a. Discretionary administrative determinations by the PHA.
 - b. General policy issues or class grievances.
 - c. Establishment of the PHA schedule of utility allowances for families in the program.

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- d. A PHA determination to approve an extension or suspension of a certificate or voucher term.
- e. A PHA determination not to approve a unit or lease.
- f. A PHA determination that an assisted unit is not in compliance with HQS.
- g. A PHA determination that the unit is not in accordance with HQS because of the family size.
- h. A determination by the PHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

(See Appendix G.)

IX. UNIT SIZE DETERMINATION

During annual and interim re-examinations, the family composition will be evaluated to determine the minimum and maximum unit size appropriate to their needs, following the PHA's Subsidy Standards.

The family may lease an otherwise acceptable unit with fewer bedrooms than the family unit size. However, the unit must meet the applicable HQS space requirements. The family may also lease an otherwise acceptable unit with more bedrooms than the family size requires.

§982.402(d)(2)

A. Units Too Small: During the annual or interim re-examination, if the family size requires a larger unit to comply with the PHA's Subsidy Standards, they will be issued a new Voucher which would allow a move to a unit of the appropriate size. The PHA will require the family to move to a larger unit within a reasonable period of time. If an acceptable unit is available for rent by the family, the PHA must terminate the Housing Assistance Payment Contract for the first unit in accordance with its terms.

§982.403

B. Units Too Large: Decreases or changes in family composition can reduce the size of the unit for which a family qualifies.

- 1. If the Voucher size is too large for the family size, the PHA will issue the family a new Voucher that is appropriate for the family. The PHA will reduce

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voucher size no later than the next regularly scheduled re-examination.

2. Families who are currently renting a unit with a gross rent that is higher than the Payment Standard for the smaller unit size they now qualify for will not be required to move. However, the amount of subsidy provided on their behalf will be reduced to reflect the lower Payment Standard for which they now qualify. §982.402(c)(2)
3. The Payment Standard for the family must be the lower of:
 - a. The Payment Standard for the family unit size; or;
 - b. The Payment Standard for the unit rented by the family.

X. UNIT INSPECTIONS §982.405

Housing Quality Standards (HQS) will be used to determine the acceptability of units rented in conjunction with the Section 8 Programs. HQS inspection forms are completed for each unit inspection and maintained in the participant file. If a unit fails to meet HQS, the owner and tenant family are notified in writing of the deficiencies that need to be corrected in order to permit Section 8 Rent Assistance for that unit. Unit inspections are conducted by Housing Inspectors at various points in tenancy:

A. Move-In Inspection: Is conducted to determine the initial condition of the unit prior to the tenant's move-in and/or start of Section 8 Rent Assistance. (See Part 4.)

B. Annual or Biennial Inspection:

79 Fed Reg 35940
6/25/2014

1. An annual inspection is conducted 60-90 days prior to the participant's annual re-examination date. In the case of a failed annual inspection, repairs must be made prior to the participant's annual re-examination date. For emergency repairs, the repairs must be completed within the time frame indicated in the emergency repair notification letter.

80 Fed Reg 423
1/6/2015

2. Biennial Inspections: The PHA may approve biennial inspections for a participating unit if the unit passed its

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inspection the previous year with no physical re inspections, or as otherwise allowed by HUD waiver.

- C. **Special Request Inspection:** Is conducted at the request of the tenant, owner or neighborhood to assess unit conditions that may be Housing Quality Standards deficiencies.

- D. **Quality Control Inspection:** Is conducted on a percentage of Section 8 units of all types to ensure consistency in HQS inspections, and that rental units continue to meet the program standards.

XI. HOUSING ASSISTANCE PAYMENTS TO OWNERS

- A. **Rent Assistance Payments:** Housing Assistance Payments to owners on behalf of Section 8 participants are made approximately on the first working day of the month and the fifteenth of each month. If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term (by the 10th of the month), the PHA may pay the owner late rent penalties in accordance with state and local practices and the terms of the lease. The owner must request, in writing, the payment of such late fees. The PHA shall not be obligated to these penalties if the payments are late due to circumstances beyond the control of the PHA. §982.311

- B. **PHA Rights and Remedies:** The PHA rights and remedies against the owner under the Housing Assistance Payment Contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the Housing Assistance Payment Contract. The PHA will attempt to recover any overpayments to an owner. If an overpayment to an owner exceeds \$1000 and occurs because of owner fraud, and if this amount is not repaid by the owner, the PHA will attempt to obtain a judgment in the appropriate court and/or will file a claim through the Minnesota Revenue Recapture Program. §982.453

- C. **Payments Under the Housing Assistance Payment Contract:** Housing Assistance Payments are paid to the owner in accordance with the terms of the Housing Assistance Payment Contract. Housing Assistance Payments may only be

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paid to the owner during the lease term and while the family is residing in the unit.

1. Housing Assistance Payments terminate when the lease is terminated by the owner in accordance with the lease. However, if the owner has commenced the process to evict the tenant and the family continues to reside in the unit, the PHA must continue to make Housing Assistance Payments to the owner in accordance with the Housing Assistance Payment Contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The PHA may continue such payments until the family moves from, or is evicted from the unit.
2. If the family moves out of the unit, the PHA may not make any Housing Assistance Payment to the owner for any month after the month when the family moves out. The owner may keep the Housing Assistance Payment for the month when the family moves out of the unit.
3. If a participant family moves from an assisted unit with continued assistance, the term of the assisted lease for the new unit may begin during the month the family moves out of the first assisted unit. Overlap of the last Housing Assistance Payment in the old unit and the first Assistance Payment for the new unit is not considered to constitute a duplicative Housing Subsidy and, therefore, may occur.

§982.311

XII. OWNER TERMINATION OF TENANCY

- A. During the term of the lease, the owner may not terminate the tenancy except on the following grounds:
 1. Serious violation (including but not limited to: failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease;
 2. Violation of federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or
 3. Other good cause. (See #5 below; acts of domestic violence are not good cause for terminating the tenancy of the victim.)
 4. Nonpayment by PHA: Not grounds for termination of tenancy.

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- a. The family is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract between the owner and the PHA.
 - b. The PHA's failure to pay the housing assistance payment to the owner is not a violation of the lease between the tenant and the owner. During the term of the lease the owner may not terminate the tenancy of the family for nonpayment of the PHA housing assistance payment.
5. **Criminal activity:** Any of the following types of criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control shall be cause for termination of tenancy: §982.310
- a. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents;
 - b. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
 - c. Any drug-related criminal activity on or near the premises.
 - d. Criminal activity directly relating to domestic violence, dating violence or stalking shall not be considered cause for termination of assistance or tenancy if the tenant or a family member is the victim of the domestic violence, dating violence or stalking. (See Appendix M, VAWA Policy)
 - e. An owner or manager may bifurcate a lease in order to evict, remove or terminate assistance to any individual who is a tenant and who engages in criminal acts of physical violence against family members or others, without evicting or terminating assistance to the victim who is also a tenant or lawful occupant
6. **Other good cause** for termination of tenancy by the owner may include, but is not limited to, any of the following examples:

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- a. Failure by the family to accept the offer of a new lease or revision;
 - b. A family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or premises;
 - c. The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
 - d. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rental).
7. During the initial lease term, the owner may not terminate the tenancy for "other good cause", unless the owner is terminating the tenancy because of something the family did or failed to do. For example, during this period, the owner may not terminate the tenancy for "other good cause" based on any of the following grounds: failure by the family to accept the offer of a new lease or revision; the owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or a business or economic reason for termination of the tenancy (See #6.d, of this section).

B. Owner Notice: The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

§982.310(e)

1. The notice of grounds must be given at or before the commencement of the eviction action. The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.
2. The owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner must give the PHA a copy of any owner eviction notice to the tenant.
3. Eviction by court action: The owner may only evict the tenant from the unit by instituting a court action.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- C. **End of Lease Term, Termination of Tenancy:** At the end of the initial term and at the end of any successive definite term, an owner may terminate the tenancy without cause. A proper written notice must be provided to the tenant in accordance with the notice period specified in the lease agreement.

- D. The PHA may abate or reduce Housing Assistance payments to the owner or terminate the Housing Assistance Payment Contract if the unit fails to meet the Housing Quality Standards, unless the owner corrects the deficiencies within the period of time specified by the PHA. However, the owner is not responsible for a breach of the HQS that is not caused by the owner and for which the family is responsible. §982.404

- 1. Abatement of Housing Assistance Payments will occur if the unit fails to meet Housing Quality Standards at the time of the tenant’s unit anniversary date. The family would then be responsible for the tenant portion of the rent for the duration of the abatement.

Abatement of Housing Assistance Payments will occur if the unit fails to meet Housing Quality Standards during the term of the contract. The family would then be responsible for the tenant portion of the rent for the duration of the abatement.

If the unit continues not to meet Housing Quality Standards and the abatement continues for a period of two months, the PHA will terminate the contract with the owner. The PHA will then issue the family a new Voucher and the family must find an acceptable unit as soon as possible, which could include the current unit.

XIII. COST-SAVING MEASURES

- A. The PHA must take action to reduce the number of vouchers under lease (utilization) or to reduce subsidy spending when either utilization or spending is likely to exceed authorized limits. The PHA will take one or more of the following measures to reduce utilization or subsidy spending:
 - 1. Stop issuing new vouchers to families on the waiting list; §982.505(c)(3)

 - 2. Cancel outstanding vouchers held by applicants who are searching for housing but have not yet submitted a Request §982.454

for Tenancy Approval; when the PHA is able to issue new vouchers again, these families will receive a voucher and the full 60-day shopping time;

3. Stop issuing vouchers to families moving out of units assisted with Project-Based Vouchers (PBV). When the PHA is able to issue new vouchers again, these families will receive a voucher;
4. Stop approving new families moving into vacant units in projects with Project-Based Vouchers (PBV), until the PHA is able to issue new vouchers again;
5. Stop approving moves to higher-cost units, unless the move was required by the PHA (for example, to comply with occupancy standards);
6. Stop approving moves (“port-outs”) to higher-cost jurisdictions, if the PHA has insufficient funds for continued assistance;
7. Reduce Payment Standards for all or some unit sizes. For tenant-based vouchers, a lower payment standard applies immediately to all new admissions, all movers, and families remaining in their units with a new HAP contract (e.g., when the owner offers or requires a new lease). For all other voucher participants, decreased payment standard amounts are not applied until the second regular reexamination after the payment standard is lowered. The PHA may request a HUD regulatory waiver to implement the reduced payment standard sooner;
8. Cancel vouchers currently under lease and cancel the associated Housing Assistance Payments (HAP) contracts. If the PHA has to reduce the number of vouchers under lease, it will cancel the vouchers for which the lowest subsidy (Housing Assistance Payment) is being paid, to limit the negative impact on participants. If the PHA has to reduce subsidy spending, it will consider other methods, again with the goal of minimizing the negative impact on participants and avoiding disparate impact on any protected class;
9. Take other cost-saving measures that are consistent with the above actions, if required by particular future circumstances in the future.

XIV. DEBTS OWED TO THE PHA; PAYMENT AGREEMENTS

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- A. The following policies apply to any monies owed to the PHA by current Section 8 Voucher participant families (including individuals).
- B. When a family owes money to the PHA, the PHA may either require the family to pay that amount in full, or require the family to enter into a Payment Agreement as a condition of continued participation.
 - 1. To be eligible to enter into a Payment Agreement, the family must first demonstrate to the satisfaction of the PHA that they cannot pay the debt in full.
 - 2. Payment Agreements require a minimum payment of \$25 a month on each claim for monies owed until the balance owed is paid in full.
 - 3. The Payment Agreement shall require payment in full of the balance owing within twelve months, absent extraordinary circumstances.
- C. Consequences of Default on Payment Agreement
 - 1. If the family does not meet the agreed-upon terms of a Payment Agreement, the family will be subject to termination of the assistance. See also Part 6, VII.B. Ineligibility Determinations.
 - 2. The PHA may file a claim for repayment under the Minnesota Revenue Recapture Act.

**PART ONE:
ELIGIBILITY FOR PARTICIPATION**

I. Overview:

Only families and individuals who meet program eligibility requirements may receive Section 8 rental assistance. The following six factors determine whether an applicant is eligible:

Refer to:
24 CFR
§982.201(a),(c)

A. Family Status Requirement: A family is a person or group of persons, as determined by the PHA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under the program. A “Family” includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

§5.403

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
2. A family with or without children. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - Children temporarily absent from the home due to placement in foster care are considered family members.
 - Unborn children and children in the process of being adopted are considered family members for the purpose of determining bedroom size and income limits.
3. 1. An elderly family;
4. A near-elderly family;
5. A disabled family;
6. A displaced family; and
7. The remaining member of a tenant family.

B. Owner-Occupant Restrictions: The PHA cannot assist applicants who own or have a financial interest in the dwelling unit they intend to rent. If the unit is owned as a cooperative, an applicant who is a member of the cooperative may receive Section 8 rental assistance, provided they meet all other eligibility requirements.

§882.401(5)
§982.306(d)-(f)

C. Adult Head of Household: The head of household must be age eighteen or older.

§982.308(a)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

D. Social Security Number Requirement: The applicant must provide the Social Security number (SSN) and valid Social Security card for all family members unless one of the exceptions stated in HUD regulations applies.

§5.216;
PIH 2010-3
§982.551(b)(3)

Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA should make such declaration in writing and under penalties of perjury. The documentation must be disclosed in the tenant file.

E. Penalties for Failure to Disclose Social Security Number and/or Provide Required Documentation.

1. Unless one of the exceptions stated in HUD regulations applies, the PHA must deny the eligibility of an applicant if he or she (including each member of the household who is required to disclose his/her SSN) does not disclose a SSN and/or provide the required documentation for the SSN.
2. However, if the family is otherwise eligible for admission to public housing, the family may maintain its position on the waiting list for not more than 60 days after it is found to meet all other eligibility requirements.

F. United States Citizenship Status Requirements:

§982.551(b)

1. An applicant who is a citizen must sign a declaration of U.S. citizenship.
2. Applicants who are age 62 or older who are non-citizens must sign a declaration of eligible immigration status and provide a proof of age document.
3. Other non-citizen applicants must sign a declaration of eligible immigration status, a signed verification consent form, and U.S. Immigration and Naturalization Service forms to establish their eligibility for Section 8 rental assistance.

§5.508(b)(2)

§5.508(c)

G. Income Limits Requirement: The applicant family or individual must meet income requirements and the PHA must attempt to target 75% of new admissions to the Extremely Low Income category.

§982.201
§982.201(b)(2)
(i)

1. The family is eligible if their annual income is at, or below, the income limit set for Very Low Income Families. This income limit is based upon 50% of the median income for the area.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

2. The family is eligible if their annual income is between 51-80% of the median income for the area, and any of the following categories apply:
 - a. Families “continuously assisted” in Public/Indian, Section 23 or Section 8 housing;
 - b. Families physically displaced by rental rehabilitation;
 - c. Non-purchasing tenants of certain homeownership programs;
 - d. Tenants displaced from certain Section 221 and 236 projects;
 - e. Low income families residing in certain HUD-owned projects (these families are eligible for a Certificate only)
3. The Department of Housing and Urban Development (HUD) may authorize Section 8 assistance for specific uses. Under these circumstances, assistance could be provided to families with low incomes, meaning anticipated annual income between 51-80% of the median income for the area. §982.203(a)(b)
4. The PHA examines the current family income and projects it forward for the next twelve months to calculate anticipated annual income, to determine income eligibility for an applicant. A period of less than twelve months may be used if the family’s source of income is temporary or unusual and will not likely recur in the next twelve months. No deductions or allowances are subtracted from the total annual income in determining the family’s eligibility for the program. §982.201
§5.653(e)
5. The income limit restrictions do not apply to a family already being assisted by the Section 8 Program. The family will not be required to leave the program if their income exceeds the current income limit.
6. In determining the income eligibility of a student at an institution of higher learning who is under age 24, the income eligibility of the parent(s) of the student may also have to be determined. See the section below and **Appendix N, Students’ Eligibility for Vouchers**. §5.612(g)

Income Limits for Section 8 Vouchers in 2023

SECTION 8 ADMISSION & OCCUPANCY POLICIES

Area Median Income \$124,900		
	Priority for Section 8 Vouchers	Maximum Income for Section 8 Vouchers
Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)
1 Person	\$26,100	\$43,500
2 Person	\$29,800	\$49,700
3 Person	\$33,550	\$55,900
4 Person	\$37,250	\$62,100
5 Person	\$40,250	\$67,100
6 Person	\$43,250	\$72,050
7 Person	\$46,200	\$77,050
8 Person	\$50,560	\$82,000

Effective 5/15/2023

H. Restrictions based on net assets and property ownership. A family is not eligible for assistance if their net assets (as defined in § 5.603) exceed \$100,000 either initially or upon reexamination of family income, or if the applicant family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a piece of real property that is suitable for occupancy by the family as a residence (based on laws of the state or locality in which the property is located).

I. Eligibility of Adult Students for Section 8 Vouchers.

An adult student under age 24, enrolled at an institution of higher learning, may be ineligible for Section 8 Housing Choice Vouchers or Project-Based Voucher (PBV) assistance, based on the financial situation of the student's parents.

In general, a student under age 24 can be eligible for Section 8 assistance if the student is:

1. Financially independent from his or her parents; or
2. A veteran of the U.S. military; or
3. Married, or
4. A person with disabilities who was receiving Section 8 assistance as of November 30, 2005; or
5. Has dependent children.

If the student does not meet one or more of those exceptions, the student will only be eligible for Section 8 if the student's parents' income is within the Section 8 income limits. The student's own income must also be within the Section 8 income limits.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

The restrictions do not apply to students living with their parents in a Section 8-assisted unit or students who live with parents who are themselves applying to receive Section 8 assistance.

See Appendix N, Students' Eligibility for Vouchers.

II. Denial or Termination of Assistance

A. Denial of assistance for an applicant may include any or all of the following: §982.552(a)(2)

1. Denying listing on the PHA waiting list,
2. Denying or withdrawing a certificate or voucher,
3. Refusing to enter into a HAP contract or approve a lease,
4. Refusing to process or provide assistance under portability procedures.

In deciding to deny or terminate assistance based on a violation of law, rules, or other requirements, the PHA has the discretion to consider all of the circumstances in each case, including but not limited to the following: §982.552(c)(2)

- The seriousness of the offense;
- The length of time since the offense;
- The number of offenses, and;
- The extent of participation or culpability of each family member.

In addition, the PHA may consider any mitigating circumstances related to a disability of a family member and the effects of denial or termination of assistance on other family members who were not involved in the action.

The Violence Against Women and Justice Department Reauthorization Act of 2005 ("VAWA") and reauthorizations protect qualified applicants or tenants and family members of applicants or tenants who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based solely on acts of such violence against them. (See **Appendix M VAWA Policy**)

§982.552(c)(2)
(v)
§5.2001

B. Requirement to Deny or Terminate Assistance:

1. The PHA must terminate assistance for a family evicted from housing assisted under Section 8 for a serious violation of the lease. §982.552(b)(2)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- a. Victim of Domestic Violence. A property owner participating in the Section 8 program must not evict a family for serious or repeated lease violations or criminal activity related to domestic violence, dating violence or stalking, solely because a family member is a victim of domestic violence, dating violence or stalking. The property owner or the PHA may require that a household member who is the perpetrator of such criminal acts be removed from the lease. (See **Appendix M, VAWA Policy**) §884.216(c)

- b. The PHA may deny or terminate assistance, and the property owner may terminate the lease and evict the family, including the family member who is or claims to be a victim of such domestic violence if
 - i. The tenant fails or refuses to provide a signed certification or other documentation within 14 business days after being asked to do so; or
 - ii. There is an actual and imminent threat to other tenants, staff (of the property owner or the PHA) or persons providing service to the property if the tenant is not evicted or terminated from assistance. §5.2005

- 2. The PHA must deny admission or terminate assistance for a participant if any member of the family fails to sign and submit consent forms needed to obtain information required for administration of the program. §5.2007

- 3. The PHA must deny admission or terminate assistance for a participant if any family member fails to submit required evidence of citizenship or eligible immigration status. §982.552

- 4. The PHA must deny admission or terminate assistance for a participant who is required to register for life under any states' sex offender registration program. §982.553

- 5. The PHA must deny admission or terminate assistance for any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing. §5.612

- 6. The PHA must deny or terminate assistance if any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as

SECTION 8 ADMISSION & OCCUPANCY POLICIES

specified in 24 CFR 5.612. See **Appendix N, Students' Eligibility for Vouchers.**

§982.551

C. Grounds for Denial or Termination of Assistance:

§982.552(c)

1. If the family violates any family obligations under the program, including the requirement that the family supplies any information that the PHA or HUD determines is necessary in the administration of the program. "Information" includes any requested certification, release or other documentation.
2. If any member of the family has been evicted from federally assisted housing in the past five (5) years;
3. If a Public Housing Authority (PHA) has ever terminated assistance under the certificate or voucher program for any member of the family within the past five (5) years ;
4. If any member of the family commits drug-related criminal activity; violent criminal activity; alcohol abuse that may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents; or other criminal activity which may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents, other persons residing in the immediate vicinity, property owners and management, or PHA staff and contractors.
5. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
6. If the family currently owes rent or other amounts to the PHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act;
7. If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
8. If the family breaches an agreement with the PHA to pay amounts owed to a Housing Authority;
9. If the family has engaged in, or threatened, abusive or violent behavior toward PHA personnel;
10. If any member of the family fails to sign and submit consent forms for obtaining information.

§982.553;

§982.553(a)(2)
(ii)

SECTION 8 ADMISSION & OCCUPANCY POLICIES

11. If a Welfare to Work (WTW) family fails to fulfill its obligations under the WTW voucher program.
12. Victim of Domestic Violence. The PHA will not deny or terminate assistance solely because a family member is or has been a victim of domestic violence, dating violence or stalking. See above, Section B.1.b., and **Appendix M**.
13. Perpetrator of Domestic Violence. The PHA may deny or terminate the assistance of any member of an assisted household who engages in criminal activity directly related to actual or threatened domestic violence, dating violence, or stalking, without affecting the assistance of the remaining household members.

D. Ineligibility If Evicted For Drug-Related Activity: Persons evicted from public housing, Indian housing, Section 23, or any Section 8 Program because of a drug-related criminal activity are ineligible for admission to Section 8 Programs for a three-year period beginning on the date of such eviction.

E. Denial or Termination for Illegal Use of Controlled Substance and Alcohol Abuse: The PHA may deny assistance for any person if the PHA determines that the person is illegally using a controlled substance or such use has occurred within three years before the date of denial. The PHA may terminate assistance of any person if the PHA determines that the person is illegally using a controlled substance or has illegally used a controlled substance within a reasonable time before the date of termination. The PHA may also deny or terminate assistance if there is reasonable cause to believe the person abuses alcohol in a way that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or that there is reasonable cause to believe that the person's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

§982.553

1. The PHA may waive the policies prohibiting admission in these circumstances if the person demonstrates to the PHA's satisfaction that the person is no longer engaging in the illegal use of a controlled substance or abuse of alcohol and has successfully completed a supervised drug or alcohol rehabilitation program; has otherwise been rehabilitated successfully; or is participating in a supervised drug or alcohol rehabilitation program.

§982.316

F. The PHA may at any time refuse to approve or withdraw approval of a person as a live-in aide if the proposed live-in aide has:

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Commits drug-related or violent criminal activity; or
- Currently owes rent or other amounts to the PHA or to another housing authority in connection with Section 8 or public housing.

III. The Waiting List

- Households must complete a pre-application to be considered for the waiting list.
- Households must complete an application to participate in the Section 8 Program.
- Applicants must supply any information the PHA or HUD determines is necessary in the administration of the program. Information includes any requested certification, release or other documentation.
- Eligible applicants are put on a waiting list for admission that uses a randomized date and time of application, and preference factors to determine priority of placement.
- With HUD's approval, the PHA may admit a family that is not on the PHA waiting list or without considering that family's position on the waiting list as a special admission.
- If a family is currently on the St. Paul Section 8 waiting list and ports into St. Paul using another Housing Authority's voucher, that participant family's name will be removed from the St. Paul Section 8 waiting list.

§982.202

§982.204(a)

§982.205(a)

§982.203

§982.204

A. When Applications Are Taken:

1. Applications for assistance are taken at all times unless, in the judgment of the PHA, it should close the waiting list because it has a sufficient number of applicants it can serve in a reasonable period of time.
2. When the waiting list is closed the PHA will accept an application under the following circumstances:

§982.206

§982.206

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- a. HUD provides a special allocation of Section 8 assistance for a specific use or program and there are not sufficient applicants on the waiting list who meet the program criteria for the specific use or program.

B. Closing and Opening the Waiting List: Before suspending or resuming taking applications for Housing Choice Vouchers, the PHA will issue a public announcement. The announcement will be published in local newspapers at least two weeks before the waiting list is opened or closed. §982.206(a)(2)

IV. Calculating Annual Income

A. Annual Income: Annual income is the anticipated total income from all sources listed in this section received by or on behalf of the head of household and spouse (*even if temporarily absent*); and any other family member unless specifically excluded by federal regulation. §5.609(a)

1. Annual income will be anticipated for the twelve-month period following the effective date of initial determination of eligibility. If it is not feasible to anticipate a level of income for a twelve-month period, the income anticipated for a shorter period may be **annualized**, subject to a re-determination at the end of the shorter period. When completing annual recertifications income, the PHA must determine the family's actual income for the previous 12-month period and use this amount to determine rent for the year ahead. In determining household income for the previous 12-month period, the PHA must take into consideration any redetermination of income during the past year resulting from an interim reexamination of family income, and must account for any income changes not "picked up" in a redetermination of income (for example, increases in income that did not meet the threshold for an interim, or that were due to earned income).
2. Annual income includes, with respect to the household:
 - (1) All amounts not specifically excluded in 24 CFR § 5.609, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
 - (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current

SECTION 8 ADMISSION & OCCUPANCY POLICIES

passbook savings rate, as determined by HUD. If total assets are \$50,000 or less, only actual income from assets is included in annual income.

B. Calculating Income. The PHA must calculate family income as follows:

- (1) Initial occupancy or assistance and interim reexaminations. The PHA must estimate the income of the family for the upcoming 12-month period:
 - (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or
 - (ii) To determine family income for an interim reexamination of family income.
- (2) Annual Reexaminations.
 - (i) The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination.
 - (ii) In determining the income of the family for the previous 12-month period, the PHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.
 - (iii) The PHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.
- (3) Use of other programs' determination of income.
 - (i) The PHA may determine the family's income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means tested forms of Federal public assistance:
 - (A) The Temporary Assistance for Needy Families block grant.
 - (B) Medicaid.
 - (C) The Supplemental Nutrition Assistance Program.
 - (D) The Earned Income Tax Credit.
 - (E) The Low-Income Housing Credit.
 - (G) Supplemental Security Income.
 - (H) Other programs administered by the Secretary.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through a Federal Register notice.

(ii) The PHA must obtain the annual income determination for other means-tested public assistance using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA must calculate annual income in accordance with 24 CFR part 5, subpart F.

§5.609(b)(9)

B. Annual Income Does Not Include:

1. Amounts specifically excluded in 24 CFR § 5.609

Certain earnings disregarded: The incremental earnings due to employment during a consecutive 12-month period following date of the initial hire shall be excluded.

§5.617

This exclusion is available only to families that were eligible for and participating in the Earned Income Disregard (EID) program, and receiving the disallowance of earned income under this section on December 31, 2023.

This section will lapse on January 1, 2026.

Eligible families include the following:

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- a. Families whose income increases as a result of employment of a family member with a disability who was previously unemployed or underemployed (defined as having earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage) for one or more years prior to employment.
- b. Families whose income increases as the result of new employment or increased earnings by a family member with a disability during participation in any economic self-sufficiency or other job training program.
- c. Families whose income increases as the result of new employment or increased earnings by a family member with a disability during or within 6 months after receiving assistance, benefits or services under a State TANF or Welfare-to-Work Program, or received one-time payments for wage or transportation subsidies or other TANF related benefits or services that totaled at least \$500 over the preceding six-month period from the date of hire.

During the second consecutive 12-month period after the date of initial hire, 50% of the increased income shall be excluded from income.

The disallowance of increased income of an individual family member is limited to a lifetime 24-month period. It only applies for 12 months of the 100% exclusion and 12 months of the 50% exclusion.

Assets	
Table 1-2:	
A. Assets Include:	B. Assets Do Not Include:
1. Amounts in savings accounts and six- or twelve-month average (whichever bank provides) balance for checking accounts. If a bank does not provide a 6 or 12-month average for checking accounts, the current balance will be used.	(i) The value of necessary items of personal property;
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.	(ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance	

SECTION 8 ADMISSION & OCCUPANCY POLICIES

<p>on all loans secured by the asset <u>and</u> reasonable costs (<i>such as broker fees</i>) that would be incurred in selling the asset.</p>	<p>(iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;</p>
<p>4. The cash value of trusts that are available to the household.</p>	
<p>5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.</p>	<p>(iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;</p>
<p>6. Contributions to company retirement/ pension funds that can be withdrawn without retiring or terminating employment.</p>	
<p>7. Assets, which, although owned by more than one person, allow unrestricted access by the applicant.</p>	<p>(v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;</p>
<p>8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims, deferred SSI and Social Security payments paid in a lump sum.</p>	
<p>9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.</p>	<p>(vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government.</p>
<p>10. Cash value of life insurance policies.</p>	<p>(vii) Interests in Indian trust land;</p>
<p>11. Assets disposed of for less than fair market value during two years preceding certification or recertification.</p>	<p>(viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;</p>
	<p>(ix) Equity in property under the Homeownership Option for which a family receives</p>

assistance under 24 CFR part 982;

- (x) Family Self-Sufficiency Accounts; and
- (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(xii) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

1.

Counts as income:

1. Actual income from assets if total assets are \$50,000 or less;
2. If assets are more than \$50,000, the greater of actual income from assets, or

Total assets x Passbook Savings Rate established by the PHA in accordance with HUD guidelines.

V. Verifying Applicants' Statements and Incomes

- Applicants shall be required to furnish proof of their statements when requested by the PHA.
 - All eligibility determinations will be fully documented in the files.
 - The PHA will utilize HUD's online "Upfront Income Verification" and "Enterprise Income Verification" (UIV/EIV) systems to the greatest extent feasible to verify employment, income and other eligibility information for all applicants and participants.
- A. Applicant Releases:** Applicants are required to sign release forms that authorize necessary third party verifications that include, but are not limited to, income and assets. If sufficient verification for some or all income sources is obtained through HUD's online UIV/EIV system or third party documentation provided by the applicant, the applicant will not be required to sign release forms for those income sources.
- B. Documentation from Applicant:** Applicants are required to submit documentation to the PHA to verify statements related to program eligibility.
- C. Use of Confidential Information:** Information that is obtained directly from applicants or from those persons authorized by the applicant will be used or disclosed only for purposes relating directly to the administration of the Section 8 Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (*Minn. Statutes Sec. 13.01 and following*) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.
- D. Family Composition and Residency:** Certification by applicants will normally be considered sufficient verification of family composition and residence as provided by the applicant's signature on the application. However, the PHA reserves the right to request additional verification.
- E. Income:** Except as stated below, all earned and unearned income must be verified at the time of admission through third parties, which may include HUD's online UIV/EIV systems.
1. Written Third Party Verification. To the greatest extent feasible, income should be verified through acceptable documents that are generated by third parties, but are in the possession of and provided by the applicant.

24 CFR
§5.233

SECTION 8 ADMISSION & OCCUPANCY POLICIES

2. Verification Forms. If the applicant cannot provide acceptable third party documentation, the PHA may obtain the required verifications using forms sent to the third parties (employers, etc.).
3. Oral Third Party Verification. If neither form of written verification can be obtained, the PHA may verify income information by contacting the income source(s) via telephone or in-person visit.
4. Tenant Declaration. If none of the forms of third party verification listed above can be obtained, the PHA may at its discretion accept an affidavit or notarized statement by the applicant of reported income. Staff must document in the family's file the reason(s) why third party verification was not available.
5. EIV Verification. Within 90 days after the subsidy start date, the family's earned income must be verified through HUD's online UIV/EIV systems.
6. Preservation Vouchers. To facilitate the timely issuance of preservation vouchers to residents of a property that was formerly assisted under a contract between the owner and HUD for project-based rental assistance, the PHA may issue the preservation vouchers and calculate initial tenant rents and Housing Assistance Payments based on tenant income and other eligibility information that the property owner has already submitted to HUD's MTCS/PIC tenant data systems on the most recent form HUD-50059, "Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures". The PHA will verify income for participants who have HUD-50059 forms dated earlier than 6 months from the effective date of conversion to tenant-based voucher assistance, but reserves the right to conduct a full-income review in any circumstance.
7. Portability Vouchers. For voucher participants "porting in" to St. Paul from another jurisdiction, the PHA may use the household composition and income information submitted by the sending housing agency on HUD's Tenant Data Form (HUD-50058) rather than re-verifying all of the information immediately. The PHA will verify income for participants who have HUD-50058 forms dated earlier than 6 months from the effective date of porting in, but reserves the right to conduct a full-income review in any circumstance.
8. **"Safe Harbor" Verifications.** The PHA will accept verification from any means-tested program permitted by HUD, which

SECTION 8 ADMISSION & OCCUPANCY POLICIES

includes but is not limited to income calculations from the following:

- a. Temporary Assistance for Needy Families block grant (TANF),
- b. Medicaid,
- c. Supplemental Nutrition Assistance Program (SNAP),
- d. Earned Income Tax Credit,
- e. Low-Income Housing Tax Credit (LIHTC),
- f. Special Supplemental Nutrition for Woman, Infants, and Children (WIC) and
- g. Supplemental Security Income (SSI).

This verification must include the tenant's family size and composition and state the family's annual income. The verification must also be dated within the time frame specified for the type of verification, including within the previous 12-month period for purposes of the specified means-tested form.

- F. Assets:** If the total value of reported assets is \$50,000 or more, their value must be verified in the same manner as income (see above). The PHA may accept the applicant's declaration of the amount of assets equal to or less than \$50,000, and the amount of income expected to be received from those assets. In such cases the PHA must verify the information in accordance with HUD guidance, currently every three years.
- G. No Income:** The absence of income will be verified through third parties where possible. Applicants reporting no income will be required to sign a statement certifying that they are receiving no income.
- H. Misrepresentation:** Any material misrepresentation on the part of an applicant revealed through the application process or otherwise, may result in a determination of ineligibility. The applicant shall be notified in writing of such determination by the PHA, and shall be given the opportunity to request an informal review of the matter.
- I. Domestic Abuse Certification:** The PHA may require a applicant or participant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See **Appendix M, VAWA Policy**).

VI. Eligibility Determination

A. Verification of Statements: Statements made by applicants on their application are verified, and a final determination of eligibility is made by the PHA before offering them rent assistance.

§982.201

B. Notification of Eligibility: When evidence supports eligibility, applicants are notified in writing by the PHA.

VII. Notification To Ineligible Families

A. Notice to Applicants: The PHA will give an applicant prompt written notice of a decision denying their assistance. This includes a decision denying placement on the PHA waiting list and/or the issuance of a Housing Choice Voucher. The notice must contain a brief statement of the reasons for the PHA decision.

§982.201(f)

B. Informal Review: The notice shall also state that applicants may request an informal review of the decision and shall describe how to obtain the informal review.

§982.554

The PHA will not provide an informal review in the following instances:

1. Discretionary administrative determinations by the PHA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the PHA Subsidy Standards.
4. A PHA determination not to approve an extension or suspension of a voucher term.
5. A PHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
6. A PHA determination that a unit selected by the applicant is not in compliance with HQS.
7. A PHA determination that the unit is not in accordance with HQS because of the family size or composition.

(See **Appendix G. for Informal Review Procedure**).

Part Three: Rent Calculations

- | | | |
|-----|---|---|
| I. | <p>Overview: The amount of rent paid by Section 8 participants will vary depending on the family income, rent to owner, minimum rent requirements and hardship waivers.</p> | <p><u>Refer to:</u>
24 CFR</p> |
| A. | <p>The program has a minimum amount of rent a tenant must pay. Adjusted monthly income is used in calculating the rent to a minimum level of \$50.</p> <p style="margin-left: 40px;">1. A family may request a hardship waiver of the \$50 minimum rent payment. (See Appendix C.)</p> | <p>§5.630</p> |
| B. | <p>Adjusted Household Income is annual income minus allowances for dependents and certain expenses to care for children and handicapped household members. Elderly and disabled households have an additional allowance and may also deduct certain medical expenses.</p> | <p>§5.611</p> |
| C. | <p>No Duplicate Subsidy is allowed for either form of assistance. This means that no household, while being assisted by a Section 8 Voucher, may receive one of the following:</p> <p style="margin-left: 40px;">1. Other Section 8 housing assistance programs;</p> <p style="margin-left: 40px;">2. Section 236 Rental Assistance Deep Subsidy Payments, OR;</p> <p style="margin-left: 40px;">3. Other duplicative public housing, federal, state or local housing subsidy.</p> | <p>§982.352</p> |
| II. | <p>Total Tenant Payment: In calculating the rental assistance available to tenants, the PHA must use a formula, called a Total Tenant Payment, commonly abbreviated as “TTP.” Adjusted monthly income is one of the factors in the formula.</p> | <p>§5.628</p> |
| A. | <p>Formula for Calculating TTP: Total Tenant Payment is the highest payment resulting from the following four options:</p> | |

Total Tenant Payment

1. 10% of total **Gross Monthly Household Income;**
OR
2. 30% of total **Monthly Adjusted Household Income;**
OR
3. If a household receives assistance under the Minnesota Supplemental Assistance program (MSA), **that portion is designated for shelter and utility costs;**
OR
4. \$50.00 minimum rent. It is possible for families to still qualify for a utility reimbursement despite the \$50.00 minimum rent requirement. For example, if a family's TTP is the minimum \$50.00 and the PHA's utility allowance is \$60.00 for that unit, the family would receive a utility reimbursement of \$10.00 for tenant-purchased utilities. *(See Appendix C for Minimum Rent Hardship Waiver Policy).*

§5.611

B. Gross Monthly Household Income is calculated by:

1. Determining the annual income (as defined in Part One of this document), and;
2. Dividing it by twelve.

C. Monthly Adjusted Household Income is calculated by:

1. Determining the annual income (as defined in Part One of this document), and;
2. Adjusting it by subtracting the deductions shown below; and;
3. Dividing it by twelve.

Deductions Available to all Households

- \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;§
- Reasonable **child care expenses** for household members under the age 13 that enable a household member to have paid employment or go to school.
- **Disability assistance expenses** in excess of 10% of annual income threshold. Once that threshold has been met, all eligible handicapped and medical expenses in excess of 10% of annual income are deductible.

§5.611

Deductions Available to Elderly and Disabled Households Only

- \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25
- The sum of the following, to the extent the sum exceeds 10% of annual income:
 - (i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined 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.
- Both the elderly/disabled deduction and the dependent deduction are now indexed to inflation (rounded to the next lowest multiple of \$25).
-

- **Hardship Exemption:** For families that are receiving the 3% unreimbursed health and medical care expense and reasonable attendant care and/or auxiliary apparatus expense deduction as of January 1, 2024, annual reexaminations beginning after January 1, 2024 will have the threshold increased to 5 percent the

§5.611(c).

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first year, 7.5 percent the second year, and reaching the new statutory standard of 10 percent in the third year.

- **Additional Hardship Relief:** If an elderly family or a family with disabilities demonstrates that it is experiencing a financial hardship, because the family’s applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family’s financial hardship is a result of a change in circumstances (as defined by the PHA) that would not otherwise trigger an interim reexamination, the family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.
- The family’s hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.
- This hardship relief can be extended for additional 90-day periods at the discretion of the PHA based on the family’s circumstances or terminated if the PHA determines that the family no longer needs the exemption.
- **Hardship exemption for Childcare expenses:** Households that become ineligible for the child care expense deduction (for example, because child care is no longer necessary to enable a member of the family to be employed or to further his or her education) can request a hardship exemption to retain the childcare expense deduction for 90 days if they can demonstrate that they would be unable to pay rent due to loss of the deduction.

D. Deductions and Related Definitions:

1. An **elderly household** is a family whose head or spouse, or only member, is at least age 62 or who is a person with a disability.
2. **“Dependent”** is defined as:
 - a. A person who is under 18 years of age, or
 - b. A person with a disability, or §5.611
 - c. Full-time students who are over the age of 18 and are members of the household. They are considered a member of the household if they live in the household during the school term. They must carry a full-time subject load at an educational institution with a degree or certification program. The institution defines what is a full-time subject load. §5.403
 - d. The definition of **“Dependent”** does not include: §5.603

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- 1) The Family Head or Spouse;
 - 2) Foster children; or
 - 3) Foster adults.
3. **A Person with a Disability** is a person with disabilities as defined in 42 U.S.C. § 423 or who has developmental disabilities as defined in 42 U.S.C. § 15002 (8)(A). The following is a summary of these requirements:
- a. 42 U.S.C. § 423 defines a disability as: **(A)** inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or **(B)** in the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
 - b. 42 U.S.C. § 15002 (8)(A) defines developmental disability as: **(8) Developmental disability**
(A) In general
The term “developmental disability” means a severe, chronic disability of an individual that--
 - (i)** is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii)** is manifested before the individual attains age 22;
 - (iii)** is likely to continue indefinitely;
 - (iv)** results in substantial functional limitations in 3 or more of the following areas of major life activity:
 - (I)** Self-care.
 - (II)** Receptive and expressive language.
 - (III)** Learning.
 - (IV)** Mobility.
 - (V)** Self-direction.
 - (VI)** Capacity for independent living.
 - (VII)** Economic self-sufficiency; and
 - (v)** reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and young children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- c. **Review of Disability.** The PHA may review a participant's disability status during their participation in the voucher program, if there is reason to believe that the participant is no longer a person with disability as defined above.

4. **A Person with disabilities means** an "individual with handicaps", as defined in § 8.3 of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities. **§5.403(4)**
5. **Disability assistance expenses** are reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. **§5.603(b)**
6. **Child care expenses** are amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. **§5.603(b)**
7. **Health and Medical expenses** are ongoing and anticipated medical costs, including medical insurance premiums that are not covered by insurance or otherwise

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

reimbursed. The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses. Only elderly and disabled households are eligible for this deduction.

III. Utility Allowances: The PHA determines an allowance for any tenant-paid utilities based upon normal consumption by an energy-conscious household.

A. The utility allowance includes electricity, gas, water, sewer and charges for other services such as garbage removal. These figures are updated annually and are adjusted by the size of the unit, type of the building, and the type of utility. §5.603
§5.611

B. The utility allowance does not include telephone or cell phone, cable TV or internet service.

C. The current schedule of Saint Paul PHA’s Utility Allowances is found in Table 3-1.

1. **Utilities Paid by Tenants:** If utilities, or a portion of them, are not included in the rent, the appropriate utility allowances are subtracted from the Total Tenant Payment (TTP) to determine the actual Tenant Rent. The tenant is responsible for paying the cost of utilities directly to the service providers. §982.517

2. **Utility Reimbursement:** When TTP is less than the PHA utility allowance, the PHA will the pay the difference to the tenant each month. The payment will continue until the TTP is recalculated and the family no longer qualifies for a utility reimbursement.

The PHA has the option to pay the utilities directly or require the family to co-sign the utility reimbursement and issue it jointly to the utility company.

Table 3-1

**SECTION 8 EXISTING HOUSING
ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICE
EFFECTIVE - November 1, 2022 (new/movers)
EFFECTIVE - January 1, 2022 (annuals)**

**M= Multiple Dwelling (Includes Low-Rise Bldgs (<4 stories) and High Rise Bldgs (>5 stories))
T/D= Townhouse/Duplex (Includes Semi-Detached, Bungalows and Rowhouses)
SF= Single Family Home**

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UTILITY/ APPLIANCE	0-BR	1-BR			2-BR			3-BR			4-BR			5-BR	6-BR
		M	T/D	SF	M	T/D	SF	M	T/D	SF	M	T/D	SF		
HEATING Gas	38	40	54		67	79	103	76	98	114	107	115	130	157	173
District Energy	24	44	44	55	63	63	75	69	69	85	87	87	104	93	97
Electric	26	34	69	87	46	79	135	64	88	131	74	100	143	154	158
COOKING Gas	6		7			13			15			16		17	18
Electric	8		9			14			17			19		21	23
OTHER ELECTRIC	15		24			39			50			55		57	64
WATER HEATING Gas	13		15			24			29			36		48	51
District Energy	7		15			22			22			31		31	34
Electric	12		14			23			28			35		46	50
WATER & SEWER	28	39	54	54	44	58	58	50	68	68	55	83	83	91	107
TRASH COLLECTION	10	10	26	26	10	35	35	10	37	37	10	37	37	37	37
RANGE	4		4			4			4			4		4	4
REFRIGERAT OR	5		5			5			5			5		5	5

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

IV. **Section 8 Rent Terms:** There are four terms used in the program to define different rent concepts:

- A. **Contract Rent:** This is the total amount of rent an owner charges for a unit occupied by a family being assisted by Section 8. It is the amount that will be listed in the Housing Assistance Payment contract and the Lease Agreement. §882.102
- B. **Gross Rent:** This is the total of the Contract Rent plus the utility allowance. If there is no utility allowance because the contract rent includes all utilities, the Gross Rent and the Contract Rent will be the same amount. §982.4
- C. **Family Rent to Owner:** This is the portion of rent to owner paid by the family. §982.515
- D. **Family Share:** The portion of rent and utilities paid by the family.

V. **Voucher Program Rents**

- A. **Payment Standards:** The PHA's share of the rent (*referred to as "subsidy"*) is set by a formula which uses a Payment Standard instead of the Fair Market Rent (FMR).
 - 1. The PHA establishes Payment Standards by number of bedrooms. The Payment Standard for the family must be the lower of:
 - a. The Payment Standard for the family's voucher size; or
 - b. The Payment Standard for the unit size actually rented by the family.
 - 2. Payment Standards are set between 90% and 110% of the FMR.
 - 3. If the PHA has established an exception rent area, the Payment Standard used for a Voucher calculation becomes the appropriate exception rent only for a unit leased in the exception rent area.
 - 4. The PHA may approve, on a case-by-case basis, an exception rent up to 120% of the applicable Payment Standard as a reasonable accommodation for a disability. The PHA will evaluate the reasonableness of the rent and the extent to which the unit accommodates the disability in making its decision to approve these exception rents.

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

- B. Family Share:** The following describes the process for determining the Family Rent:
1. The tenant family’s Total Tenant Payment (TTP) is first calculated. §5.628
 2. The maximum amount of subsidy the family can receive is the lower of: §982.505
 - a. The Payment Standard minus the TTP; or
 - b. The gross rent minus the TTP.
 3. The family rent to owner is calculated by subtracting the housing assistance payment to the owner from the rent to owner. §982.515
- C. Selected Unit:** The tenant may choose a unit that rents for more or less than the Payment Standard. If the unit rents for more than the Payment Standard, the tenant will pay more than the TTP as their share for rent. The subsidy will remain the same if the unit rents for more or less than the Payment Standard.
- However, at the time the PHA approves a tenancy for initial occupancy of a dwelling unit, the family share must not exceed 40% of the family’s monthly adjusted income. §982.508
- D. Size of Unit:** Units must meet Section 8 Housing Quality Standards in order to be eligible. §982.401
1. The PHA will not prohibit a family from renting a unit with greater or fewer bedrooms than the number stated on the Voucher. §982.402
 - a. The unit must meet the applicable HQS space requirements.
 - b. A decision to rent a larger unit with a Contract Rent above the Payment Standard may require the family to pay more than 30% of adjusted income for rent and utilities.
 - c. The selected unit must meet the PHA’s Subsidy Standards (*formerly called “Occupancy Standards”*).
- E. Payment Standard Changes:** The Payment Standard that applies to a household when their initial lease is approved, or §982.505(b)4,5

SECTION 8 ADMISSION AND OCCUPANCY POLICIES

at the time of their most recent annual Reexamination, will continue to be used to determine the amount of subsidy they will receive unless one of the following applies:

1. If the payment standard increased during the HAP contract the new payment standard will be used to calculate the assistance payment for the family beginning with the family’s first regular re-examination on or after the effective date of the increase in payment standards.
2. Irrespective of any change to the payment standards during the HAP contract, if the family unit size increased or decreases, the new family unit size must be used to determine the payment standard amount for the family beginning at the family’s first regularly scheduled re-examination following the change in family unit size.

F. Current Payment Standards: The Housing Voucher Payment Standard Schedule for rental units in the City of Saint Paul is as follows:

Table 3-3.	
PAYMENT STANDARDS	
UNIT SIZE:	AMOUNT:
0 Bedroom	\$ 1,065
1 Bedroom	\$ 1,225
2 Bedroom	\$ 1,510
3 Bedroom	\$ 1,945
4 Bedroom	\$ 2,340
5 Bedroom	\$ 2,685
6 Bedroom	\$ 3,035

These payment standards are effective on November 1, 2022 for new move-ins on or after that date, and on January 1, 2023 for all other current applicants, shoppers, and current participants with annual recertifications of eligibility that are effective on that date or later.

**PART SIX:
CONTINUED PARTICIPATION**

I. OVERVIEW

Refer to:
24 CFR

A. Compliance with Lease and Program Requirements: To remain eligible for Section 8 Rent Assistance, the family must comply with the terms of their Voucher, their lease and the other program requirements listed in these policies.

B. Annual Re-Examinations:

§982.551
§5.617(a)

1. At least once a year, the PHA must re-examine a family's eligibility for continued participation in the program. The PHA will review household income, unit rent, family composition, the amount of the utility allowance, the appropriateness of the unit size occupied by the family, and the reasonableness of the rent. Except as stated below, all income and assets will be verified according to the policies listed under Section V. of Part One of this document. The unit is also inspected annually for compliance with Section 8 Housing Quality Standards unless the PHA determines that it is eligible for biennial inspections under Section X.B. below.

PIH Notice 2013-03

2. The PHA may conduct a streamlined reexamination of income for families when at least 90 percent of the family's income consists of fixed income. In such cases the PHA must obtain third-party verification of all income amounts and assets at least once every three years. See IV.D. below.

24 CFR §5.657
FedReg
12/12/2017

P.L. 114-87

C. Interim Rent Re-determinations: If there are changes in a family's circumstances between the dates for an annual re-examination, the amount of Family Rent may also change.

D. On-Going Information and Assistance to Families: The PHA will provide on-going information and assistance to families on matters within the Agency's scope of responsibility. PHA staff will refer families to the appropriate social services agency when the need for information or supportive services is beyond the PHA's mission as a housing agency.

II. REQUIREMENTS FOR CONTINUED ELIGIBILITY

- A. Obligations of the Family:** When a family's unit is approved and the Housing Assistance Payment Contract is executed, the family must follow the terms specified in the lease and the rules listed below in order to continue participating in the Section 8 Voucher Program. §982.551
1. The Family must:
 - a. Supply any information that the PHA or HUD determines to be necessary, including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
 - b. Disclose and verify Social Security numbers and sign and submit consent forms for obtaining information.
 - c. Supply any information requested by the PHA to verify that the family is living in the unit or information related to family members' absence from the unit.
 - d. Promptly notify the PHA in writing when the family is away from the unit for an extended period of time in accordance with PHA policies.
 - e. Allow the PHA to inspect the unit at reasonable times and after reasonable notice.
 - f. Notify the PHA and the owner in writing before moving out of the unit or terminating the lease. This must be done in accordance with the terms and conditions of the lease.
 - g. Use the assisted unit for residence by the family. The unit must be the family's only residence.
 - h. Notify the PHA in writing within 10 working days of a birth or adoption, or when awarded custody of a child.
 - i. Request PHA written approval to add any other family member or other person as an occupant of the unit. The composition of the assisted family living in the unit must be approved by the PHA. No other person may reside in the unit.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- j. Promptly notify the PHA in writing if any family member no longer lives in the unit.
 - k. Give the PHA a copy of any owner eviction notice.
 - l. Pay utility bills and supply appliances that the owner is not required to supply under the lease.
 - m. Disclose to the PHA, within 10 working days of receiving it, any information received from HUD on income, earnings, wages or unemployment compensation discrepancies pursuant to HUD's income matching verification procedures.
2. Any information the family supplies must be true and complete.
 3. The family (*including each family member*) must not:
 - a. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
 - b. Commit any serious or repeated violation of the lease.
 - c. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
 - d. Engage in drug-related criminal activity or violent criminal activity, or other criminal activity that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
 - e. Sublease or let the unit or assign the lease or transfer the unit.
 - f. Receive Section 8 tenant-based program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
 - g. Damage the unit or premises (*other than damage from ordinary wear and tear*) or permit any guest to damage the unit or premises.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- h. Receive Section 8 tenant-based program housing assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
- i. Engage in illegal use of a controlled substance; or abuse of alcohol that threatens the health and safety or right to peaceful enjoyment of the premises by other residents.

B. Families Receiving Zero Rental Assistance: Participants will remain eligible for the Section 8 Program for 180 days, or six months, at zero rental assistance if their income increases to a point that their Total Tenant Payment (TTP) is equal to or exceeds the gross rent for the unit. The Housing Assistance Payment Contract between the PHA and the owner terminates automatically 180 calendar days after the last correct housing assistance payment to the owner.

§982.312
§982.455

C. Persons Temporarily Absent from Unit: Participant families who must be out of their unit for an extended period of time due to vacation, hospitalization or imprisonment, will remain eligible for continued participation, subject to PHA approval, provided that they:

§982.312

1. Remain in compliance with the terms of the Section 8 Program and their Assisted Lease;
2. Supply any information or certification requested by the PHA to verify that the family is residing in the unit, or relating to family absence from the unit;
3. Remain absent from the unit for a period of no more than 180 consecutive calendar days in any circumstance, or for any reason.

Housing Assistance Payments terminate if the family is absent for longer than the maximum period permitted. The Housing Assistance Payment Contract and lease also terminate.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- D. Death of a Section 8 Participant:** When a Section 8 participant dies, and there are no remaining members of the tenant family, the HAP subsidy ends with that month. The PHA is not permitted to pay a subsidy for the any portion of the following month.
- E. Family Separation:** Participant families who separate while being assisted under the tenant-based programs will be assessed on a case-by-case basis to determine which family members if any, will remain assisted under the program. Except in cases involving domestic abuse (see #5 below), the PHA policy will be that:
1. Only adult family members who were listed on the voucher application at the time of admission to the program are eligible to receive the voucher when there is a family separation, except in special circumstances.
 2. The Head of Household or other adult household member who has custody of any minor children listed on the voucher application at the time of admission may retain the use of the tenant-based Voucher upon family separation.
 3. Remaining adult members of the household may not be eligible to retain the voucher assistance if the Head of Household chooses to move out of the assisted unit or ends his or her voucher participation, or if the PHA terminates the Head of Household's eligibility. The PHA may allow the remaining adult household member(s) to retain the voucher assistance based on a showing of special circumstances.
 4. If the family assisted by the voucher separates as the result of a divorce or separation under a settlement or judicial decree, the PHA will follow any court determination of which family members keep the Voucher assistance.
 5. In cases involving domestic abuse, the PHA may allow the victim(s) to keep their Voucher assistance and require the perpetrator(s) of the domestic violence to be removed from the lease, even if the perpetrator is the Head of Household.
- F. Family Moves With Continued Assistance:** A participant family may move to a new unit with continued tenant-based assistance if:

§982.315

SECTION 8 ADMISSION & OCCUPANCY POLICIES

1. The Assisted Lease for the old unit has terminated. This includes a termination because: §982.354
 - a. The PHA has terminated the Housing Assistance Payment Contract for the owner's breach of the terms of the contract, or,
 - b. The lease has terminated by mutual agreement of the owner and the tenant.
2. The owner has given the tenant a Notice to Vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant.
3. The tenant has given Notice of Lease Termination.
 - a. The family may terminate the lease in accordance with the terms of the lease. §982.314
 - b. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the Notice of Termination at the same time. §982.309
4. Victim of Domestic Violence. A family may move to another unit with continued tenant-based assistance if the family has complied with all other obligations of the Section 8 program but may have moved out of the assisted dwelling unit without giving proper notice in order to protect the health and safety of a family member who is or was the victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit. The PHA may require an applicant or participant who is or claims to be a victim of domestic violence to provide a signed certification or other documentation. (See Appendix M, VAWA Policy).
5. If the family wants to move to a new unit and receive rental assistance, the family must notify the PHA and the owner prior to moving from the old unit.

III. TERMINATING ASSISTANCE TO ILLEGAL DRUG USERS AND ALCOHOL ABUSERS

SECTION 8 ADMISSION & OCCUPANCY POLICIES

The PHA may terminate Section 8 Assistance to any participant if it determines that the participant or any member of the participant's household is illegally using a controlled substance or if it determines that the abuse of alcohol by the participant or any member of the participant's household interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. See Part One, Section II. §982.552

IV. ANNUAL RE-EXAMINATIONS

A. Timing of Annual Re-Examinations: Re-examinations are conducted at least annually, based on the anniversary date of the family's initial move-in date into that unit. §5.617
§982.516

B. Requirements for Annual Re-Examinations:

1. **Application for Tenant Eligibility and Re-Certification:** The family must complete an Application for Continued Participation.

2. **Use of Confidential Information/Data Practices:** Information that is obtained directly from participants, or from those persons authorized by participants, will be used or disclosed only for purposes relating directly to the administration of the Section 8 Program. All information that is "private data on individuals" under the Minnesota Government Data Practices Act (Minn. Stat. Sec. 13.01 and following) will be handled in compliance with that law. Information obtained from HUD's online UIV/EIV systems will be used, stored and disposed of in compliance with HUD requirements.

3. The PHA may conduct a streamlined income determination for families when at least 90 percent of the family's income consists of fixed income. In such cases, the PHA must obtain third-party verification of all income amounts and assets at least once every three years. 24 CFR §5.657
FedReg
12/12/2017

C. Streamlined Annual Reexaminations for families on fixed incomes.

1. The PHA may conduct a streamlined reexamination of income for families when at least 90 percent of the family's income consists of income from fixed income sources. The PHA will recalculate family incomes by applying any published cost of living adjustments to the

SECTION 8 ADMISSION & OCCUPANCY POLICIES

previously verified income amount. This policy is effective April 1, 2018.

2. Definition of “fixed income”. For purposes of this section, the term “fixed income” means periodic payments at reasonably predictable levels from one or more of the following sources:
 - a. Social Security, Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
 - b. Federal, State, local, and private pension plans; and
 - c. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts,
 - d. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
3. Method of streamlined income determination. A PHA using the streamlined income determination must adjust a family’s income according to the percentage of a family’s unadjusted income that is from fixed income.
 - a. When 90 percent or more of a family’s unadjusted income consists of fixed income, the PHA using a streamlined income determination must apply a COLA or COLAs to the family’s sources of fixed income, provided that the family certifies both 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.
 - b. When more than 90 percent of a family’s unadjusted income consists of fixed income, the PHA will assume there is no change in the amounts of non-fixed income, unless the family reports a change in that income.
 - c. 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 individually. The PHA must determine all other income pursuant to Part 1 Section V.
4. COLA rate applied by PHAs. PHAs using streamlined income determinations must adjust a family’s fixed income

using a COLA or current interest rate that applies to each specific source of fixed income and is available from a public source or through tenant provided, third-party-generated documentation. If no public verification or tenant-provided documentation is available, then the PHA must obtain third-party verification (from the tenant, if applicable) of the income amounts in order to calculate the change in income for the source.

5. Triennial Verification

For any income determined pursuant to a streamlined income determination, a PHA must obtain third-party verification of all income amounts every 3 years.

V. INTERIM RE-EXAMINATIONS

§982.516
§982.551

The PHA may conduct re-examinations more frequently than once a year due to special family circumstances or changes in program regulations. The family's eligibility for continued occupancy will only be determined during a regular or interim re-examination.

A. Unusual Income Situations: The PHA will initiate more frequent re-examinations under the following circumstances:

1. Families with **zero income** must have their incomes re-examined at least every 180 days. (Families with zero-income are required to report any income increase, as described below.)
2. Families with **income that cannot be projected with reasonable accuracy** due to its temporary or sporadic nature may have more frequent re-examinations. The PHA will set a schedule for interim re-examinations that is appropriate to the family's circumstances.
3. If a family has a pattern of seasonal or irregular income that results in reasonably consistent annual income from year to year, as shown by data in HUD's Enterprise Income Verification (EIV) online data system or similar reliable data source(s), the PHA will calculate the family's rent based on that historical data.
4. A family with a pattern of seasonal income, that does not result in reasonably consistent annual income from year to year, may have their rent based on a year-around average, using records of recent years' income patterns.

B. Other Interim Re-Examinations: Between regularly scheduled re-examinations, if there are changes in a family's income, household composition, or eligible deductions, an interim re-examination may be conducted.

1. Family Requests for Re-Examinations (Optional):

Families have the choice of requesting an interim re-examination under the following circumstances:

- a. They receive a decrease in income of at least 10%, which may result in a rent decrease; or
- b. They have an increase in the following eligible allowances or deductions:
 - (1) An increase in expenses for the care of a child or member with a handicap, or
 - (2) An increase in permissible deductions and/or expenses due to a change in HUD regulations, or
 - (3) For elderly families only, an increase in medical expenses; or
 - (4) An increase in the number of dependents.

2. Circumstances Requiring an Interim Re-Examination:

An Interim Re-examination must be performed when any one of the circumstances listed below occurs. In these circumstances, all changes in household status and income will be considered in determining Total Tenant Payment.

- a. **Required Reporting.** The participant is required to report, in writing, within 10 days of the date the change occurs, any changes in income or family composition as described in the following categories under this Section.

§982.551(h)(2)

- b. **Required Reporting:** Tenants must report all changes in household composition involving:

1. Any addition or loss of an adult member (see also Section II.A.h.-i. above); or

SECTION 8 ADMISSION & OCCUPANCY POLICIES

2. The addition or loss of a minor to the household.
(see below).

(However, the addition of a newborn to the household does not require an interim re-examination unless the addition of the newborn would be accompanied by an increase in monthly income of 10% or more.)

- c. **Household Changes; Guests/Visitors:** New persons may not be added to the household without the PHA's prior approval other than the addition of a child by birth, adoption or award of legal custody. The PHA will not approve the addition of new household member(s) if doing so would cause the unit to be overcrowded. The household voucher size will only be increased if the addition of household member(s) is of a long-term duration (12 months or more).

A family must get written approval from the PHA if a guest or visitor will be staying in the unit for more than 14 days over a twelve-month period. If the family does not receive the PHA's written approval, the PHA may determine that the person should be considered a member of the household for purposes of income and rent determination; and the PHA may also determine that the presence of the unauthorized person is grounds for termination of the voucher assistance.

- d. **Adding Minors to a Household:** The PHA may approve a head of household's request to add a minor to the household if the head of household or another adult household member proves that he or she has legal custody of the minor, by providing one of the following documents:
 1. Birth certificate showing that the adult household member is the biological parent of the minor; or
 2. Legal proof of adoption; or
 3. Court order awarding custody; or
 4. Written Delegation of Parental Authority, under Minnesota

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Statutes Section 524.5.211,
executed within the last 12
months (see below); or

5. Legal proof of foster care and intended placement in the household for at least 184 days, confirmed by the placing entity.
6. In every case, in order to be considered a member of the household, a child must be in the unit at least 184 days in a calendar year.

NOTE: A Delegation of Parental Authority, under the statute, is a temporary delegation of authority from a parent of a child to another adult, valid for up to one year. It should be reviewed annually and may be renewed.

- e. **Increased Income:** Families must report an increase in monthly household income. An interim rent calculation will only be processed if/when the cumulative increase in unearned gross monthly household income totals 10% or more from the previous rent portion calculation. Interim rent calculations are not processed for increases in earned income except in special circumstances outlined below. In addition, an interim recertification will not be processed if a household reports an increase in income within three months of their next annual reexamination effective date. In these circumstances, the increase will be accounted for during the annual reexamination. §982.516

f. **Exceptions to Increased Income Threshold**

- (1) A household that has been certified as having no income (a zero-income family) must report all income increases, and the rent will be adjusted accordingly.

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(2) If the household's income (earned and/or unearned) has increased after having reported a decrease in household income since their last annual recertification, the household must report all increases and the rent will be adjusted accordingly, applying the 10% threshold for interim increases.

(2) If the household's income increases due to another person joining the family, the rent will be adjusted.

g. PHA Error

(1) When an error is made by the PHA at admission or re-examination, the participant must report the error to the PHA as soon as they become aware of it so an Interim Re-Examination can be conducted.

(2) No retroactive rent increase will be made against the family for the difference in rent resulting from the PHA's error.

(3) **De Minimis Errors:** De minimis errors are defined as errors where the PHA's determination of family income varies from the correct income determination by no more than \$30 in monthly adjusted income. The PHA is required to fix errors after becoming aware of them by correcting the certification. When a de minimis error results in the family being overcharged, the PHA must credit or refund the household regardless of the amount. If the error results in the family being undercharged, the family is not required to repay the PHA. In those circumstances the PHA will ensure that the household's account is credited to offset any charges resulting from the corrected certification.

C. Timing of Changes for All Participants: Upon completion of an annual or interim re-examination, the PHA will promptly notify the family and owner of the new Family Rent, Housing Assistance Payment and Total Rent to Owner.

1. Interim Changes:

Increases in rent resulting from required **interim** redeterminations (Section V.B.2. above) will be effective the first of the month that begins 30 days after the month in

SECTION 8 ADMISSION & OCCUPANCY POLICIES

which the change in status actually occurred, provided the increase is reported timely. If the change is not reported timely, any resulting rent increase is retroactive to the first of the month following the date that the change in status occurred.

Decreases in rent resulting from optional **interim** redeterminations (Section V.B.1. above) will be effective the first of the month following the date the change in status occurred if reported timely. If not reported timely, the decrease will be implemented no later than the first of the month following completion of the reexamination.

- 2. Increasing the Voucher Size:** When the addition of household members by birth, adoption or award of legal custody would require a change to the voucher size, the voucher size will be increased at the next change of unit or regularly scheduled re-examination, whichever comes first, unless the addition to the household causes the household to be overcrowded. If the household is overcrowded as a result of the added members, the PHA may approve a larger voucher and if so, will require the family to move to a larger unit within a reasonable period of time.

If the addition of adults, with or without their children, would cause the unit to be overcrowded, the PHA will not approve the addition. If it does approve the addition, the PHA will not increase the voucher size until the annual reexamination that occurs at least 12 months after the PHA approved the addition.

- 3. Reducing the Voucher Size:** When household members move out of the assisted unit and the family is no longer eligible for its current voucher size, the PHA will reduce voucher size no later than the next regularly scheduled re-examination.
- 4. Failure to Report Income Increases or Change in Household Size:** If the family fails to report an increase in total family earned income of 10% per month or more, an increase in income (earned or unearned) after having previously reported a decrease, or an increase or decrease in the household size, the PHA may increase the required Family Rent retroactively, or terminate the family from the Section 8 Program for failure to comply with program regulations.

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5. **Notification:** The PHA will notify the family in writing of any change in the Family Rent and state the reasons. The PHA will give the family an opportunity to request an informal hearing on the matter.

VI. RENT CHANGES

At least three months prior to the annual re-exam date, the owner is notified of the family's annual re-exam and pending HQS inspection. Any changes to the lease, including rent increases, will be processed according to the terms of the lease. The owner must notify the tenant in writing of any changes with a copy to the PHA.

A. Rent Determinations: Any increase requested by the landlord must meet the rent reasonableness test and must be agreed to by the family and the landlord. If the family does not agree to the rent increase proposed by the landlord, they may give proper notice to vacate the unit. Family Rents may change if the Payment Standard changes. The Payment Standard for the family must be changed at the time of re-examination if one of the following occurs:

§887.353(b)(2)
§982.505

1. The PHA's Payment Standard applicable to the family has increased;
2. New Subsidy Standards have been adopted by the PHA that change the unit size for which the family qualifies;
3. The family's size or composition has changed, requiring a different unit size;
4. The family moves, and the new unit has a different Payment Standard.

VII. INELIGIBILITY DETERMINATIONS

Participants will be ineligible for continued participation if any of the following occurs:

A. The family fails to comply with any of the obligations under this program; *(See Part One, Section II.B. for additional grounds for termination of assistance).*

§982.552(c)(1)(i)

§982.552(c)(1)vii

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- B. The family fails to comply with the terms of a Payment Agreement for monies owed to the PHA or to another housing authority. See also Part 6, XIV. Debts Owed to the PHA; Payment Agreements. §982.455
- C. The family receives no rent assistance for six months (that is, if the family's income has remained at a level where their TTP is equal to or exceeds the gross rent for the unit). The Housing Assistance Payment Contract between the PHA and the owner terminates automatically 180 days after the last Housing Assistance Payment to the owner. §982.312
- D. If all members of the participant family are out of the unit for a period of more than 180 consecutive days for any reason, Housing Assistance terminates.

VIII. NOTICE TO INELIGIBLE FAMILIES

- A. **PHA Notice:** The PHA will give the participant prompt written notice of a decision that the family has been determined to be ineligible for continued program participation. The written notice will contain a brief statement of the reasons for the decision. §982.552
§982.555
- B. **Informal Hearing:** The notice will state that if the participant does not agree with the determination, the participant may request an informal hearing to present objections to the determination. The request for an informal hearing must be in writing, and it must be received by the PHA within 10 days of the date of the PHA notification letter.
 - 1. The PHA will not provide a participant family an opportunity for an informal hearing in the following instances:
 - a. Discretionary administrative determinations by the PHA.
 - b. General policy issues or class grievances.
 - c. Establishment of the PHA schedule of utility allowances for families in the program.
 - d. A PHA determination to approve an extension or suspension of a certificate or voucher term.
 - e. A PHA determination not to approve a unit or lease.

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- f. A PHA determination that an assisted unit is not in compliance with HQS.
- g. A PHA determination that the unit is not in accordance with HQS because of the family size.
- h. A determination by the PHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

(See Appendix G.)

IX. UNIT SIZE DETERMINATION

During annual and interim re-examinations, the family composition will be evaluated to determine the minimum and maximum unit size appropriate to their needs, following the PHA's Subsidy Standards.

The family may lease an otherwise acceptable unit with fewer bedrooms than the family unit size. However, the unit must meet the applicable HQS space requirements. The family may also lease an otherwise acceptable unit with more bedrooms than the family size requires.

§982.402(d)(2)

A. Units Too Small: During the annual or interim re-examination, if the family size requires a larger unit to comply with the PHA's Subsidy Standards, they will be issued a new Voucher which would allow a move to a unit of the appropriate size. The PHA will require the family to move to a larger unit within a reasonable period of time. If an acceptable unit is available for rent by the family, the PHA must terminate the Housing Assistance Payment Contract for the first unit in accordance with its terms.

§982.403

B. Units Too Large: Decreases or changes in family composition can reduce the size of the unit for which a family qualifies.

- 1. If the Voucher size is too large for the family size, the PHA will issue the family a new Voucher that is appropriate for the family. The PHA will reduce voucher size no later than the next regularly scheduled re-examination.

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2. Families who are currently renting a unit with a gross rent that is higher than the Payment Standard for the smaller unit size they now qualify for will not be required to move. However, the amount of subsidy provided on their behalf will be reduced to reflect the lower Payment Standard for which they now qualify. §982.402(c)(2)
3. The Payment Standard for the family must be the lower of:
 - a. The Payment Standard for the family unit size; or;
 - b. The Payment Standard for the unit rented by the family.

X. UNIT INSPECTIONS §982.405

Housing Quality Standards (HQS) will be used to determine the acceptability of units rented in conjunction with the Section 8 Programs. HQS inspection forms are completed for each unit inspection and maintained in the participant file. If a unit fails to meet HQS, the owner and tenant family are notified in writing of the deficiencies that need to be corrected in order to permit Section 8 Rent Assistance for that unit. Unit inspections are conducted by Housing Inspectors at various points in tenancy:

A. Move-In Inspection: Is conducted to determine the initial condition of the unit prior to the tenant's move-in and/or start of Section 8 Rent Assistance. (See Part 4.)

B. Annual or Biennial Inspection:

1. An annual inspection is conducted 60-90 days prior to the participant's annual re-examination date. In the case of a failed annual inspection, repairs must be made prior to the participant's annual re-examination date. For emergency repairs, the repairs must be completed within the time frame indicated in the emergency repair notification letter.
2. Biennial Inspections: The PHA may approve biennial inspections for a participating unit if the unit passed its inspection the previous year with no physical reinspections, or as otherwise allowed by HUD waiver.

79 Fed Reg 35940
6/25/2014

80 Fed Reg 423
1/6/2015

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- C. **Special Request Inspection:** Is conducted at the request of the tenant, owner or neighborhood to assess unit conditions that may be Housing Quality Standards deficiencies.

- D. **Quality Control Inspection:** Is conducted on a percentage of Section 8 units of all types to ensure consistency in HQS inspections, and that rental units continue to meet the program standards.

XI. HOUSING ASSISTANCE PAYMENTS TO OWNERS

- A. **Rent Assistance Payments:** Housing Assistance Payments to owners on behalf of Section 8 participants are made approximately on the first working day of the month and the fifteenth of each month. If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term (by the 10th of the month), the PHA may pay the owner late rent penalties in accordance with state and local practices and the terms of the lease. The owner must request, in writing, the payment of such late fees. The PHA shall not be obligated to these penalties if the payments are late due to circumstances beyond the control of the PHA. §982.311

- B. **PHA Rights and Remedies:** The PHA rights and remedies against the owner under the Housing Assistance Payment Contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the Housing Assistance Payment Contract. The PHA will attempt to recover any overpayments to an owner. If an overpayment to an owner exceeds \$1000 and occurs because of owner fraud, and if this amount is not repaid by the owner, the PHA will attempt to obtain a judgment in the appropriate court and/or will file a claim through the Minnesota Revenue Recapture Program. §982.453

- C. **Payments Under the Housing Assistance Payment Contract:** Housing Assistance Payments are paid to the owner in accordance with the terms of the Housing Assistance Payment Contract. Housing Assistance Payments may only be paid to the owner during the lease term and while the family is residing in the unit.
 - 1. Housing Assistance Payments terminate when the lease is terminated by the owner in accordance with the lease.

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However, if the owner has commenced the process to evict the tenant and the family continues to reside in the unit, the PHA must continue to make Housing Assistance Payments to the owner in accordance with the Housing Assistance Payment Contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The PHA may continue such payments until the family moves from, or is evicted from the unit.

2. If the family moves out of the unit, the PHA may not make any Housing Assistance Payment to the owner for any month after the month when the family moves out. The owner may keep the Housing Assistance Payment for the month when the family moves out of the unit.
3. If a participant family moves from an assisted unit with continued assistance, the term of the assisted lease for the new unit may begin during the month the family moves out of the first assisted unit. Overlap of the last Housing Assistance Payment in the old unit and the first Assistance Payment for the new unit is not considered to constitute a duplicative Housing Subsidy and, therefore, may occur.

§982.311

XII. OWNER TERMINATION OF TENANCY

- A. During the term of the lease, the owner may not terminate the tenancy except on the following grounds:
 1. Serious violation (including but not limited to: failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease;
 2. Violation of federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or
 3. Other good cause. (See #5 below; acts of domestic violence are not good cause for terminating the tenancy of the victim.)
 4. Nonpayment by PHA: Not grounds for termination of tenancy.
 - a. The family is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract between the owner and the PHA.

SECTION 8 ADMISSION & OCCUPANCY POLICIES

- b. The PHA's failure to pay the housing assistance payment to the owner is not a violation of the lease between the tenant and the owner. During the term of the lease the owner may not terminate the tenancy of the family for nonpayment of the PHA housing assistance payment.
5. **Criminal activity:** Any of the following types of criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control shall be cause for termination of tenancy: §982.310
- a. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents;
 - b. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
 - c. Any drug-related criminal activity on or near the premises.
 - d. Criminal activity directly relating to domestic violence, dating violence or stalking shall not be considered cause for termination of assistance or tenancy if the tenant or a family member is the victim of the domestic violence, dating violence or stalking. (See Appendix M, VAWA Policy)
 - e. An owner or manager may bifurcate a lease in order to evict, remove or terminate assistance to any individual who is a tenant and who engages in criminal acts of physical violence against family members or others, without evicting or terminating assistance to the victim who is also a tenant or lawful occupant
6. **Other good cause** for termination of tenancy by the owner may include, but is not limited to, any of the following examples:
- a. Failure by the family to accept the offer of a new lease or revision;

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- b. A family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or premises;
 - c. The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
 - d. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rental).
7. During the initial lease term, the owner may not terminate the tenancy for "other good cause", unless the owner is terminating the tenancy because of something the family did or failed to do. For example, during this period, the owner may not terminate the tenancy for "other good cause" based on any of the following grounds: failure by the family to accept the offer of a new lease or revision; the owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or a business or economic reason for termination of the tenancy (See #6.d, of this section).

B. Owner Notice: The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

§982.310(e)

1. The notice of grounds must be given at or before the commencement of the eviction action. The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.
2. The owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner must give the PHA a copy of any owner eviction notice to the tenant.
3. Eviction by court action: The owner may only evict the tenant from the unit by instituting a court action.

C. End of Lease Term, Termination of Tenancy: At the end of the initial term and at the end of any successive definite term, an owner may terminate the tenancy without cause. A

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proper written notice must be provided to the tenant in accordance with the notice period specified in the lease agreement.

- D. The PHA may abate or reduce Housing Assistance payments to the owner or terminate the Housing Assistance Payment Contract if the unit fails to meet the Housing Quality Standards, unless the owner corrects the deficiencies within the period of time specified by the PHA. However, the owner is not responsible for a breach of the HQS that is not caused by the owner and for which the family is responsible. §982.404

- 1. Abatement of Housing Assistance Payments will occur if the unit fails to meet Housing Quality Standards at the time of the tenant’s unit anniversary date. The family would then be responsible for the tenant portion of the rent for the duration of the abatement.

Abatement of Housing Assistance Payments will occur if the unit fails to meet Housing Quality Standards during the term of the contract. The family would then be responsible for the tenant portion of the rent for the duration of the abatement.

If the unit continues not to meet Housing Quality Standards and the abatement continues for a period of two months, the PHA will terminate the contract with the owner. The PHA will then issue the family a new Voucher and the family must find an acceptable unit as soon as possible, which could include the current unit.

XIII. COST-SAVING MEASURES

- A. The PHA must take action to reduce the number of vouchers under lease (utilization) or to reduce subsidy spending when either utilization or spending is likely to exceed authorized limits. The PHA will take one or more of the following measures to reduce utilization or subsidy spending:

- 1. Stop issuing new vouchers to families on the waiting list; §982.505(c)(3)
- 2. Cancel outstanding vouchers held by applicants who are searching for housing but have not yet submitted a Request for Tenancy Approval; when the PHA is able to issue new vouchers again, these families will receive a voucher and the full 60-day shopping time; §982.454
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3. Stop issuing vouchers to families moving out of units assisted with Project-Based Vouchers (PBV). When the PHA is able to issue new vouchers again, these families will receive a voucher;
4. Stop approving new families moving into vacant units in projects with Project-Based Vouchers (PBV), until the PHA is able to issue new vouchers again;
5. Stop approving moves to higher-cost units, unless the move was required by the PHA (for example, to comply with occupancy standards);
6. Stop approving moves (“port-outs”) to higher-cost jurisdictions, if the PHA has insufficient funds for continued assistance;
7. Reduce Payment Standards for all or some unit sizes. For tenant-based vouchers, a lower payment standard applies immediately to all new admissions, all movers, and families remaining in their units with a new HAP contract (e.g., when the owner offers or requires a new lease). For all other voucher participants, decreased payment standard amounts are not applied until the second regular reexamination after the payment standard is lowered. The PHA may request a HUD regulatory waiver to implement the reduced payment standard sooner;
8. Cancel vouchers currently under lease and cancel the associated Housing Assistance Payments (HAP) contracts. If the PHA has to reduce the number of vouchers under lease, it will cancel the vouchers for which the lowest subsidy (Housing Assistance Payment) is being paid, to limit the negative impact on participants. If the PHA has to reduce subsidy spending, it will consider other methods, again with the goal of minimizing the negative impact on participants and avoiding disparate impact on any protected class;
9. Take other cost-saving measures that are consistent with the above actions, if required by particular future circumstances in the future.

XIV. DEBTS OWED TO THE PHA; PAYMENT AGREEMENTS

- A. The following policies apply to any monies owed to the PHA by current Section 8 Voucher participant families (including individuals).

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- B. When a family owes money to the PHA, the PHA may either require the family to pay that amount in full, or require the family to enter into a Payment Agreement as a condition of continued participation.
 - 1. To be eligible to enter into a Payment Agreement, the family must first demonstrate to the satisfaction of the PHA that they cannot pay the debt in full.
 - 2. Payment Agreements require a minimum payment of \$25 a month on each claim for monies owed until the balance owed is paid in full.
 - 3. The Payment Agreement shall require payment in full of the balance owing within twelve months, absent extraordinary circumstances.

- C. Consequences of Default on Payment Agreement
 - 1. If the family does not meet the agreed-upon terms of a Payment Agreement, the family will be subject to termination of the assistance. See also Part 6, VII.B. Ineligibility Determinations.
 - 2. The PHA may file a claim for repayment under the Minnesota Revenue Recapture Act.