PUBLIC NOTICE

PUBLIC NOTICE OF SIGNIFICANT AMENDMENT TO THE ASSET MANAGEMENT ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

CMHA is proposing changes to the Asset Management Admissions and Continued Occupancy Policy (ACOP). summary of the proposed updates to the ACOP and Lease follows below:

New language is indicated in red. Deleted language is shown as strikeout.

Effective January 1, 2024, the Final Rule implementing Sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) takes into effect and the updates in the Housing Choice Voucher Administrative Plan meet these HUD requirements to update the Administrative Plan and Admissions and Continued Occupancy Policy with the regulation changes. Additional information can be found on the HUD website at: https:www.hud.govprogram_officeshousingmfhhotma#:~:text=Background,to%20income%20calculation%20and%20reviews.

Section VI - Eligibility for Continued Occupancy, Over Income Households, Annual Recertification and Remaining Family Members

B. Over Income Households:

The federal Housing Opportunity Through Modernization Act (HOTMA) of 2016 places an income limitation on public housing tenancy for families. Once a family's income has exceeded 120% of the Area Median Income (AMI), or a different limitation set by the Secretary of HUD ("over-income limit") for two consecutive years, CMHA may terminate the family's tenancy within six (6) months of the second income determination or charge the family a monthly rent equal to the greater of:

(1) The applicable Fair Market Rent (FMR) for the area; or
(2) The amount of monthly subsidy for the unit including amounts from the operating and capital fund, as determined by regulations.

At annual or interim reexamination, if a family's income exceeds the applicable over-income limit, CMHA will document the family file and begin tracking the family's over-income status.

If one year after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit , CMHA will notify the family in writing that their income has exceeded the over-income limit. Additionally, if the family continues to be over-income for the next 12 consecutive months, the family will be subject to CMHA's over-income policies.

If, at any time during the 24 month grace period, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with CMHA's policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification

CMHA will notify the family in writing that over-income policies no longer apply. If the family's income later exceeds the over-income limit again, the family is entitled to a new two-year grace period. CMHA will begin tracking over-income families once these policies have been adopted. CMHA may terminate tenancy for families whose income exceeds the limit for the program eligibility as described at 24 CFR 960.261.

28. Income From Assets and Trusts

a. Bank Account Interest Income and Dividends

5. Self-certification of assets that generate income of less than $~~5,000~~ $50,000 (For established program participants)

4. Family Assets

When family assets exceed $50,000, CMHA will require the information necessary to determine the current cash value of the family's assets (the net amount the family would receive if the asset were converted to cash). Regardless of the value of a participant family's assets, third party verification must be obtained every three years

Families with net assets over $100,000 (after adjusted for inflation) would be ineligible from public housing. These calculations are subject to due process and the families will have an opportunity to request a review.

Families would be ineligible for assistance, if they own real property suitable for occupancy by that family and meet certain conditions (have an ownership interest, legal right to reside in, and authority to sell the property)

Exceptions may apply:

- A family that receives assistance for the property from the Housing Choice Voucher Program
- Property jointly owned with someone else, and occupied by the other owner who is not a member of the household receiving benefits
- A Victim of domestic violence, dating violence, sexual assault, or stalking
- A family that is offering the property for sale

CMHA cannot waive the asset requirement but may allow the family 6 months before serving a termination of assistance notice and may allow the family to come into compliance during that time.

5. Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

b. If the family certifies that they have disposed of assets of $50,000 or more for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third-party verification will be obtained wherever possible. Income that would have been generated from the disposed of asset will be considered an asset during the annual recertification for two consecutive years. Any income that would have been calculated, had the asset been retained, will be used in calculating adjusted income.

Section VII - Interim Rent Adjustments: Income-Based Rent

1. CMHA will process interim changes in rent as follows:

(c) Combined household increases averaging ~~$100~~ 10% or less per month between annual recertifications

- CMHA will defer the increase to the next regular recertifications
- When combined income increases average in excess of ~~$100~~ 10% per month, rent will increase the first day of the second month based on all increases..**Section XIV - Definitions and Procedures to be used in**

Determining Income and Rent

A. Annual Income (24 CFR 5.609)

Annual income is the anticipated total income, monetary or not, from all sources, including net income derived from assets received by or on behalf of the family head and spouse/co-head (even if temporarily absent) and by each additional family member who is 18 years of age or older. In addition to unearned income by or on behalf of each minor dependent who is under 18 dependent years of age, not specifically excluded. Annual income includes all net income from assets for the 12-month period following the effective date of initial determination or recertification of income, exclusive of income that is temporary, non-recurring, or sporadic (as defined below), or is specifically excluded from income by federal statute. Annual income includes, but is not limited to, the following:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

2. The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight-line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight-line depreciation of real or personal property is permitted. Any withdrawals of cash or assets will be considered as income, except when used to reimburse the family for cash or assets invested in the property;

   If the Family has Net Family Assets in excess of $~~5,000~~ $50,000 (adjusted annually using the CPI-W), 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 HUD;

B. Items not included in Annual Income [24 CFR § 5.609] (Exclusions)

Annual Income does not include the following:

1. Earned income of minors

2. Payments received for the care of foster children or foster adults (foster adults are usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);This exclusion also applies to Tribal Kinship or guardianship care payments.

3. Distribution of principle from Irrevocable trusts, including Special Needs Trusts.

4. Veterans” aide and attendant care

5. FSS Escrow Deposits

6. Education Savings Accounts Distributions - Coverdell or any qualified tuition program under IRS section 529 and 530

13. Effective January 1, 2024, only eligible families currently participating in EID may continue to receive benefits up to 2 years from this date no new families will be added to the program.

D. Adjusted Income

a. Child Care Expenses — A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, but only when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be un-reimbursed expenses and shall not exceed: (a) the amount earned by the family member enabled to work that is included in annual income; or (b) an amount determined to be reasonable by CMHA when the expense is incurred to permit education or to seek employment.

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the deduction. 24 CFR 5.611(d).

The PHA may grant hardships for households unable to pay rent due to households no longer eligible for the childcare expense deduction. The family must demonstrate that they are unable to pay their rent because of the loss of this deduction and the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The duration of relief will be up to 90 days and the PHA may terminate the hardship exemption if they determine the family no longer needs it.

c. Work-related Disability Expenses — A deduction of un-reimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) enabled to work.

Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.

(1) For non-elderly families and elderly families without medical expenses, the amount of the deduction equals the cost of all un-reimbursed expenses for work-related disability expense less ~~three~~ ten percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

(2) For elderly families with medical expenses: the amount of the deduction equals the cost of all un-reimbursed expenses for work-related disability expense less ~~three~~ ten percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold.

2. **<u>For Elderly and Disabled Families Only</u>:**

a. Medical Expense Deduction — A deduction of un-reimbursed Medical Expenses, including insurance premiums, anticipated for the period for which Annual Income is computed.

Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and accepted non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by CMHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.

(1) For elderly families without disability expenses, the amount of the deduction shall equal total medical expenses less ~~three~~ ten- percent of annual income.

(2) For elderly families with both disability and medical expenses: the amount of the deduction is calculated as described in paragraph 1.d.(2) above.

b. Elderly/Disabled Household Exemption — An exemption of ~~$400~~ $525 per household. See Definitions, Section XV.

Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold

E. Rent Computation

2. The Minimum Rent shall be $50 per month, but a hardship exemption shall be granted to residents who can document that they are unable to pay the $50 because of a long-term hardship (over 120 days). Examples under which residents would qualify for the hardship exemption to the minimum rent include but may not be limited to the following:

e. The family is unable to pay rent due to unanticipated medical or disability expenses. 24 CFR 5.611(c)(1) -(c)(2)

f. Household no longer eligible for the childcare expense deduction CFR 5.611(d)

The Cincinnati Metropolitan Housing Authority (CMHA) released a proposed Significant Amendment to its current FY2023 Housing Choice Voucher Administrative Plan and the Asset Management Admissions and Continued Occupancy Policy (ACOP) and has commenced a forty-five day comment period. Pursuant to Section 511 of the Qualified Housing and Work Responsibility Act of 1998, and 24 CFR 903, a copy of the proposed changes to the ACOP can be found along at 1627 Western Ave, or on-line at www.cintimha.com. These are available for public inspection during normal business hours (Monday- Friday 8:00 AM – 4:40 PM). CMHA requests written comments no later than 4:30 p.m. Monday, January 29, 2024 to 1627 Western Ave., Cincinnati, OH 45214 or by email to Geri.hernandez@cintimha.com.