

**HOUSING AUTHORITY OF  
THURSTON COUNTY  
PUBLIC HOUSING AGENCY PLAN  
Five Year Plan Fiscal Years 2024-2029**



**Housing Authority of Thurston County  
Public Housing Agency Plan5  
Five Year Plan Fiscal Years 2024-2029**

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# 5-Year PHA Plan (for All PHAs)

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

OMB No. 2577-0226  
Expires: 03/31/2024

**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** The Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A.</b>	<b>PHA Information.</b>																																
A.1	<p><b>PHA Name:</b> _____ Housing Authority of Thurston County _____ <b>PHA Code:</b> _____ WA049 _____</p> <p><b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): _____ 2024 _____</p> <p><b>The Five-Year Period of the Plan (i.e. 2019-2023):</b> _____ 2024-2029 _____</p> <p><b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>All components of <b>HATC's 5-Year/Annual plan</b> are available to review at our office 1206 12<sup>th</sup> Avenue SE, Olympia, WA 98501. The plan may also be viewed at <a href="http://www.hatc.org">www.hatc.org</a>.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below.)</p> <table><thead><tr><th rowspan="2">Participating PHAs</th><th rowspan="2">PHA Code</th><th rowspan="2">Program(s) in the Consortia</th><th rowspan="2">Program(s) not in the Consortia</th><th colspan="2">No. of Units in Each Program</th></tr><tr><th>PH</th><th>HCV</th></tr></thead><tbody><tr><td>Lead PHA:</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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Lead PHA:																																	

B.	<b>Plan Elements.</b> Required for <u>all</u> PHAs completing this form.
B.1	<p><b>Mission.</b> State the PHA's mission for serving the needs of low-income, very low-income, and extremely low-income families in the PHA's jurisdiction for the next five years.</p> <p>The Mission of the Housing Authority of Thurston County is to provide safe, decent, and affordable housing and services to persons of low-income, disabled and at-risk individuals and families. The ultimate goal of the Housing Authority is to assist individuals and families to secure long term permanent housing.</p>

**B.2**

**Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low-income, and extremely low-income families for the next five years.

**Rental Assistance**

- Implement the Housing Opportunity Through Modernization Act of 2016
- Implement NSPIRE standards
- Transition to new software Housing Pro
- Fully utilize Mainstream vouchers in conjunction with community partners
- Fully utilize VASH vouchers in partnership with Veteran Affairs
- Fully utilize Family Unification vouchers
- Implement Foster Youth to Independence Program
- Increase Project-Based Voucher utilization
- Apply for new HCV funding opportunities
- Achieve 80% lease-up rate for all voucher issuances
- Manage the HCV budget to assist the maximum number of households possible
- Ensure Equal Opportunity in Housing for all
  - Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, and disability:
  - Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, familial status, and disability:
  - Undertake affirmative measure to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
  - Maintain networking connections in the community to ensure information and access to all population groups

**Development**

- Fully lease Olympia Crest III in 2024 (28 units)
- Complete Sterling Pines renovation and fully lease in 2025 (24 units)
- Planning, permitting work and potentially site work will commence on Sequoia North in 2024 (36 units)
- Sequoia North fully leased in 2025
- August 2024 a major bond will be fully amortized, saving \$55,000/per month for potential new financing capacity
- Continually evaluate capital needs for current properties, particularly enhancements for older properties
- Rent Preservation – In addition to new construction, over the years, the HATC has acquired and improved existing properties to protect against large rent increases. HATC rents are typically several hundred dollars per month below market rates, providing an opportunity for a decent, affordable housing for the many households who would qualify for a voucher but for whom voucher funding is not available. Federally the voucher program is funded at a level that only serves 20-25% of income eligible household. Using the Authority's strong financial condition, it is able to be nimble, competitive in acquiring properties for Rent Preservation. Thus, a core plan is to maintain a strong financial condition to retain this nimbleness and to have the resources to maintain high quality housing.
- Rent Preservation and/or new development in "South County" (including Bucoda, Grant Mound, Rochester, Tenino, and Yelm).
- Seek additional "soft money" such as Housing Trust Fund and explore additional financing tools for new development
- Increase number of HATC owned units by an average of 25 per year
- Explore alternative, emerging building techniques that could reduce costs
- Engage with community leaders and others to discover and advocate for ways to reduce development costs
- In renovation work, include ways to enhance safety, energy efficiency, and renewable energy options for not only new buildings but also existing housing inventory
- Ensure diversity, equity and inclusion is included for vendor opportunities and the marketing of units

**FSS**

- HATC will conduct widespread outreach to encourage enrollment in the FSS program.
- Increase number of Family Self-Sufficiency (FSS) graduates
  - Increase number of households with education outcomes
  - Increase number of households with earned income

B.3	<p><b>Progress Report.</b> Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. <b>5 Year Goals and Objectives Update 2019-2024/Annual Plan Update 2023-2024</b></p> <p><b>Rental Assistance</b></p> <ul style="list-style-type: none"> <li>Fully integrate into new Tenmast/MRI housing software <ul style="list-style-type: none"> <li>HATC purchased MRI Secure Sign to provide an option of digital completion of paperwork with a legally binding digital signature for clients, landlords, and vendors.</li> </ul> </li> <li>Create and implement a new landlord outreach program. <ul style="list-style-type: none"> <li>Calendar year 2023 - 81 new landlords participated in the Housing Choice Voucher program through outreach efforts of HATC staff.</li> </ul> </li> <li>Fully utilize 2017 Mainstream vouchers in conjunction with community partners <ul style="list-style-type: none"> <li>December 2023 HATC had a Mainstream leasing rate of 81%. HATC in planning process for outreach efforts for increased Mainstream referrals in 2024.</li> </ul> </li> <li>Apply for new HCV funding opportunities. <ul style="list-style-type: none"> <li>Applied for and awarded 4 Foster Youth to Independence vouchers in 2023.</li> </ul> </li> <li>Open HCV waiting list. <ul style="list-style-type: none"> <li>November 2023, HATC opened the Housing Choice Voucher waiting list.</li> </ul> </li> <li>Achieve 80% lease-up rate for all voucher issuances. <ul style="list-style-type: none"> <li>Calendar year 2023 leasing rate is 90%</li> </ul> </li> <li>Manage the HCV budget to assist the maximum number of households possible. <ul style="list-style-type: none"> <li>2023 HCV funding budget was utilized at 98%</li> </ul> </li> <li>Continue to provide a high level of client and landlord service through the use of internally generated funds. <ul style="list-style-type: none"> <li>Through program knowledge, creative problem solving, responsiveness, and positive attitudes HATC staff maintains sterling customer service.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>HATC purchased landlord, tenant, and applicant portals to improve access to HATC staff and sharing of information. HATC has implemented the landlord and applicant portals and is pending implementation of tenant portal. Implementation of tenant portal is delayed until Rental Assistance transitions to new housing software in 2024.</li> </ul> <p><b>Development</b></p> <ul style="list-style-type: none"> <li>All Rental assistance staff attended HOTMA training and housing inspector and supervisory staff attended INSPIRE training</li> <li>Build additional housing units. Increase affordable housing opportunities for persons of low-income, disabled and at-risk individuals and families. <ul style="list-style-type: none"> <li>Olympia Crest III, a 28-unit, final expansion to our largest apartment community completed and will welcome new residents in February 2024</li> <li>24-unit Tumwater Inn acquired for conversion to Sterling Pines which will be housing for seniors with incomes at 30% and 50% AMI levels. Given grant awards, the property will not require operating subsidies such as Project-Based vouchers, as it is structured to be affordable to people whose income is likely limited to Social Security. Renovation work will commence in 2024.</li> <li>Record year for development grants, \$9.8 million; including 8.1 million for Sterling Pines and a conditional grant commitment of \$1.7 million for another future senior community, Sequoia North.</li> <li>Along with traditional apartment unit turnover, in 2023 there was a considerable cost for meth mitigation. While it affected a small number of units, the total cost was over \$200,000.</li> <li>Partnered with the Low-Income Housing Institute for 64 new units of affordable housing (incomes at 30% and 50% AMI levels) for seniors experiencing or at risk of homelessness through the award of Project-Based vouchers through HATC's Collaborative Housing strategy.</li> <li>Partnered with Family Support Center of South Sound for 62 new units of affordable housing (incomes at 30% and 50% AMI levels) for families with children and victims of DV experiencing homelessness through the award of Project-Based vouchers through HATC's Collaborative Housing strategy.</li> </ul> </li> </ul> <p><b>Administration</b></p> <ul style="list-style-type: none"> <li>Implement PBV roundtable. <ul style="list-style-type: none"> <li>The PBV roundtable was held in 2019.</li> </ul> </li> <li>Maintain and grow community partnerships. <ul style="list-style-type: none"> <li>HATC participates in several local planning groups, including but not limited to the Housing Action Team, and the Local Agency Planning group.</li> <li>HATC partners with Behavioral Health Resources, Catholic Community Services of Southwest Washington, Community Youth Services, Family Support Center of South Sound, Homes First, Mercy Housing, Low Income Housing Institute, Panza, and Yelm Community Services through the award and continued funding of 363 units Project-Based voucher subsidized housing under HATC's Collaborative Housing Strategy</li> </ul> </li> <li>Implement new website. <ul style="list-style-type: none"> <li>HATC implemented its new website, <a href="http://www.hatc.org">www.hatc.org</a>, in 2020.</li> <li>HATC website provides resources, documents, information for clients, landlords and the public as well as forms for clients.</li> <li>HATC uses the website to provide important current contact information for HATC staff.</li> <li>HATC uses the website to provide public announcements.</li> </ul> </li> <li>Ensure Equal Opportunity in Housing for all. <ul style="list-style-type: none"> <li>EEO in Housing for all is implemented daily by all staff and reviewed by supervisors during annual audits to ensure compliance.</li> <li>HATC staff annually participate in Fair Housing training.</li> </ul> </li> </ul>

**B.4**

**Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA's goals, activities, objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.

**VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY**

The Violence against Women Act (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault stalking, or human trafficking who are applying for or receiving assistance under the Housing Choice Voucher (HCV program).

**NOTIFICATION [24 CFR 5.2005(a)]**

**Notification to Public**

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

PHA Policy

The PHA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A copy of the notice of occupancy rights under VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation

A copy of the PHA's emergency transfer plan

A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY)

Contact information for local victim advocacy groups or service providers

**Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]**

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

PHA Policy

The PHA will provide all applicants with information about VAWA at the time they request an application for housing assistance, as part of the written briefing packet, and at the time the family is admitted to the program. The PHA will also include information about VAWA in all notices of denial of assistance.

The PHA will provide all participants with information about VAWA at the time of admission and at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance.

The VAWA information provided to applicants and participants will consist of Notice of Occupancy Rights Under the Violence Against Women Act (Form HUD-5380) and Certification of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking and Alternate Documentation (Form HUD-5382).

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

PHA Policy

Whenever the PHA has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the PHA may decide not to send mail regarding VAWA protections to the victim's unit if the PHA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the PHA will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.



**Notification to Owners and Managers**

While PHAs are no longer required to notify owners by regulation and managers participating in the HCV program of their rights and obligations under VAWA, the PHA may still choose to inform them.

**PHA Policy**

The PHA will provide owners and managers with information about their rights and obligations under VAWA when the PHA is presented with a claim for initial or continuing assistance based on status as victim of domestic violence, dating violence, sexual assault, stalking, human trafficking or criminal activity related to any of these forms of abuse.

The VAWA information provided to owners will consist of Owner Notification of Rights and Obligations under VAWA and a copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, and Stalking and Alternate Documentation.

**DOCUMENTATION [24 CFR 5.2007]**

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, human trafficking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual assault, stalking, or human trafficking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- (2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, stalking, human trafficking or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [FR Notice 11/16/16].

**PHA Policy**

Any request for documentation of domestic violence, dating violence, sexual assault, stalking or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The PHA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the PHA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the PHA will be in writing.

Once the victim provides documentation, the PHA will acknowledge receipt of the documentation within 10 business days.

**Conflicting Documentation [24 CFR 5.2007(e)]**

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

**PHA Policy**

If presented with conflicting certification documents from members of the same household, the PHA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, the PHA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.



If the PHA does not receive third-party documentation within the required timeframe (and any extensions) the PHA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the PHA will hold separate hearings for the applicants or tenants.

**Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]**

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

PHA Policy

If the PHA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the PHA will document acceptance of the statement or evidence in the individual's file.

**Failure to Provide Documentation [24 CFR 5.2007(c)]**

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

**CONFIDENTIALITY [24 CFR 5.2007(b)(4)]**

All information provided to the PHA regarding domestic violence, dating violence, sexual assault, stalking, or human trafficking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

PHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

<b>C.</b>	<b>Other Document and/or Certification Requirements.</b>
<b>C.1</b>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p><b>Definition of Substantial Deviation and Significant Change or Modification</b></p> <p>903.7 r (2) Identify the basic criteria that HATC will use for determining:</p> <p>(i) A substantial deviation from the 5-year plan,  (ii) A significant amendment or modification to its 5-year Plan and Annual Plan.</p> <p><b>Substantial deviation:</b>  The following actions would be considered a substantial deviation or significant amendment or modification from the 5-year plan:</p> <ul style="list-style-type: none"> <li>• Change to the target population included in the adopted plan.</li> <li>• Decisions to change the process for accepting applications to the Rental Assistance Voucher Program</li> <li>• Decision to change Priority or Preference Criteria for the Rental Assistance Programs</li> </ul> <p><b>It will not be considered a substantial deviation from the plan:</b></p> <ul style="list-style-type: none"> <li>• To choose another course of action not specifically spelled out in the plan to meet the established goals</li> <li>• To meet goals of the program to assist low- and moderate-income population in a manner not discussed in the adopted plan.</li> <li>• To increase or decrease the Payment Standard (PS) (within budget authority) based on, (1) in the case of an increase to the PS, unforeseen increases in rents or inability of tenants to rent units within the program rules or (2) in the case of decreases to the PS, reductions in the budget authority awarded by HUD.</li> <li>• To make modifications to the Administrative Plan which improves the access to the program by applicants and participants or clarification of new issues in order to provide a consistent implementation of the rules.</li> <li>• To incorporate new procedures brought about by new regulations or clarification of regulations by HUD.</li> <li>• To make changes to parts of the plan, which are found to be inconsistent with regulations.</li> <li>• To make changes required by statute or regulation that need to take place before a consultative process can take place.</li> <li>• Changes in the Standard Operating Procedures that do not involve policy decisions.</li> </ul> <p><b>Significant change or modification:</b>  A significant change or modification is defined as discretionary changes in the plan or policies of the housing authority that fundamental changes the mission, goals, objectives or plans of the agency which require the formal approval of the Board of Commissioners.</p> <p>Other similar circumstances will be treated as defined above. Those items which are considered a substantial deviation or significant change, or modification would require Board Approval at a Regular Meeting of the Housing Authority Board of Commissioners and submission to HUD at the next annual submission, where a report will be given of policies changed since the last submission of the Plan. Where feasible on discretionary issues, the HATC will make an effort to consult with the Resident Advisory Board prior to bringing the issue to the Board.</p>
<b>C.2</b>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have comments to the 5-Year PHA Plan?</p> <p>Y    N  <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>

C.3

**Certification by State or Local Officials.**

Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan or  
State Consolidated Plan  
(All PHAs)**

U. S Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2024

**Certification by State or Local Official of PHA Plans  
Consistency with the Consolidated Plan or State Consolidated Plan**

I, David Bayne, the Dept. Director Public Health and Social Services  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan for fiscal years 2024-2029 and/or Annual PHA Plan for fiscal  
year 2024-2025 of the Housing Authority of Thurston County is consistent with the  
*PHA Name*

Consolidated Plan or State Consolidated Plan including the Analysis of Impediments (AI) to Fair  
Housing Choice or Assessment of Fair Housing (AFH) as applicable to the

Thurston County

*Local Jurisdiction Name*

pursuant to 24 CFR Part 91 and 24 CFR § 903.15.

Provide a description of how the PHA Plan's contents are consistent with the Consolidated Plan or  
State Consolidated Plan.

All activities described in the 2024-2025 Annual Plan and 2024-2029 5-Year Plan are consistent with Thurston County's  
Consolidated Plan and Analysis of Impediments to Fair Housing Choice.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will  
prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official:

David Bayne

Title:

Dept. Director Public Health and Social Services

Signature:



Date:

1/26/24

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

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing  
instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD  
may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**C.4**

**Required Submission for HUD FO Review.**

(a) Did the public challenge any elements of the Plan?

Y N  
☐ ☒

(b) If yes, include Challenged Elements.

<b>D.</b>	<b>Affirmatively Furthering Fair Housing (AFFH).</b>
<b>D.1</b>	<p><b>Affirmatively Furthering Fair Housing.</b> (Non-qualified PHAs are only required to complete this section on the Annual PHA Plan. All qualified PHAs must complete this section.)</p> <p>Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</p> <div data-bbox="211 581 1463 968"> <p><b>Fair Housing Goal:</b></p> <p><u>Describe fair housing strategies and actions to achieve the goal</u></p> <p>Not applicable</p> </div> <div data-bbox="211 991 1463 1377"> <p><b>Fair Housing Goal:</b></p> <p><u>Describe fair housing strategies and actions to achieve the goal</u></p> <p>Not applicable</p> </div> <div data-bbox="211 1400 1463 1787"> <p><b>Fair Housing Goal:</b></p> <p><u>Describe fair housing strategies and actions to achieve the goal</u></p> <p>Not applicable</p> </div>

## Instructions for Preparation of Form HUD-50075-5Y - 5-Year PHA Plan for All PHAs

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

- A.1** Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **Five-Year Period** that the Plan covers, i.e. 2019-2023, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table.

### B. Plan Elements.

- B.1 Mission.** State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years. (24 CFR § 903.6(a)(1))
- B.2 Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. (24 CFR § 903.6(b)(1))
- B.3 Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5- Year Plan. (24 CFR § 903.6(b)(2))
- B.4 Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. (24 CFR § 903.6(a)(3)).

### C. Other Document and/or Certification Requirements.

- C.1 Significant Amendment or Modification.** Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2012-32, REV 2.

#### C.2 Resident Advisory Board (RAB) comments.

- (a) Did the public or RAB have comments?
- (b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR § 903.17(b), 24 CFR § 903.19)

#### C.3 Certification by State or Local Officials.

Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.

#### C.4 Required Submission for HUD FO Review.

Challenged Elements.

- (a) Did the public challenge any elements of the Plan?
- (b) If yes, include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

### D. Affirmatively Furthering Fair Housing.

(Non-qualified PHAs are only required to complete this section on the Annual PHA Plan. All qualified PHAs must complete this section.)

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

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

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average 1.64 hours per year per response or 8.2 hours per response every five years, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

form HUD-50075-5Y (03/31/2024)

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



### **Strategy for Addressing Housing Needs.**

Since the demand for housing assistance often exceeds the limited resources available, long waiting periods are common for the Housing Choice Voucher (HCV) Program. The Housing Authority of Thurston County (HATC) has closed out its HCV waiting list from February of 2020. The HATC opened its HCV waiting lists for two weeks at the end of 2023. We received approximately 3500 pre-applications. Through a lottery process, 1700 were placed on the active HCV waiting list with an anticipated wait time of 24-36 months.

The reporting racial demographics of the 2023 HCV wait list pre-applicants are (many pre-applicants choose multiple races) 52% White, 29% Black/African American, 14% Asian, 6% American Indian/Alaska Native, 5% are Native Hawaiian/Pacific Islander, and 8% identified as other. About 14% of the applicants are Hispanic and 86% reported non-Hispanic.

Approximately 49% are one-person households, 10% have a head of household who is elderly, and 56% had a household member with a disability.

HATC's strategy to address the housing needs of families in its jurisdiction and on the HCV waiting lists is to ensure, through appropriate eligibility verification, fraud, and program abuse investigations, that all families currently being assisted are eligible for assistance and are receiving the correct amount of assistance. HATC is committed to 100% voucher utilization rate within available funding levels.

HATC's strategy is to ensure that only eligible families receive assistance, therefore, reducing the waiting time for families on the waiting list. HATC will maintain financial solvency by managing all programs within the HATC's funding levels. The strategy of HATC is to continue assistance for program participants and provide assistance to eligible families on HATC's waiting lists.

The HATC implementation strategies for addressing housing needs of the community:

- Maximize the number of affordable units available to HATC within our current resources.
- Continue to distribute fair housing brochures to the public in the administrative offices lobby, as well as HCV participants.
- Provide reasonable accommodations in all housing programs; can be requested at anytime.
- Conduct activities to affirmatively further fair housing
- Participate in the Consolidated Plan development process to ensure coordination within broader community strategy.
- Reduce turnover time for vacated Project-Based and Mod-Rehab units.
- Maintain or increase HCV lease-up rates by establishing payment standards that will enable families to rent during low-vacancy and high rental rates, and throughout Thurston County.
- Undertake measures to ensure access to affordable housing among families assisted by the Housing Authority, regardless of unit size required.
- Maintain or increase Section 8 lease-up rates by marketing the program to owners, particularly those outside the areas of minority and poverty concentration.
- Apply for additional HCV units should they become available.

## Statement of Financial Resources

[24 CFR Part 903.12 (b), 903.7 (c)]

List on the following table the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants</b>		
a) Public Housing Operating Fund		
b) Public Housing Capital Fund		
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$20,275,834**	HAP and Administration
f) Resident Opportunity and Self-Sufficiency Grants		
g) Community Development Block Grant		
h) HOME		
Other Federal Grants (list below)		
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>		
<b>3. Public Housing Dwelling Rental Income</b>		
<b>4. Other income (list below)</b>		
Family Self Sufficiency	\$147,211.00**	Salary and Benefits
<b>Mod Rehab</b>	\$286,590.00*	HAP and Administration
<b>Emergency Housing Voucher</b>	965,990.00**	HAP and Administration
<b>Mainstream</b>	\$1,585,946.00**	HAP and Administration
<b>5. Non-federal sources (list below)</b>		
<b>Total resources</b>	<b>\$23,261,571.00</b>	

\* For period FYE 06/30/2023

\*\* For Calendar Year End 12/31/2023

## ELIGIBILITY AND ADMISSION POLICIES

### INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
  - Not currently be receiving a duplicative subsidy.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

### DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

#### OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

#### **FAMILY AND HOUSEHOLD [24 CFR 982.201(c); FR Notice 02/03/12; Notice PIH 2014-20]**

The terms *family* and *household* have different meanings in the HCV program.

#### **Family**

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

PHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application and must notify the PHA if the family's composition changes.

**Household**

*Household* is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

**HEAD OF HOUSEHOLD [24 CFR 5.504(b)]**

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

PHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

**SPOUSE, COHEAD, AND OTHER ADULT**

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

PHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

PHA Policy

Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

## **DEPENDENT [24 CFR 5.603]**

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides.

### **Joint Custody of Dependents**

#### PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

## **FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]**

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

## **ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]**

### **Elderly Persons**

An *elderly person* is a person who is at least 62 years of age.

### **Near-Elderly Persons**

A *near-elderly person* is a person who is 50-61 years of age.

### **Elderly Family**

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person.

## **PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]**

### **Persons with Disabilities**

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

### **Disabled Family**

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies.

## **GUESTS [24 CFR 5.100]**

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

### PHA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 60 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

## **FOSTER CHILDREN AND FOSTER ADULTS**

*Foster adults* are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

### PHA Policy

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

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

## **ABSENT FAMILY MEMBERS**

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

### **Definitions of Temporarily and Permanently Absent**

#### PHA Policy

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

### **Absent Students**

#### PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.



### **Absences Due to Placement in Foster Care [24 CFR 5.403]**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

#### PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

### **Absent Head, Spouse, or Cohead**

#### PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

### **Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

#### PHA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence.

### **Return of Permanently Absent Family Members**

#### PHA Policy

The family must request PHA approval for the return of any adult family members that the PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements.

## LIVE-IN AIDE

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

### PHA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request-subject to PHA verification-at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

- The person commits drug-related criminal activity or violent criminal activity; or

- The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The PHA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

## **BASIC ELIGIBILITY CRITERIA**

### **INCOME ELIGIBILITY AND TARGETING**

#### **Income Limits**

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

#### **Definitions of the Income Limits [24 CFR 5.603(b)]**

*Low-income family.* A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

*Very low-income family.* A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

*Extremely low-income family.* A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

#### **Using Income Limits for Eligibility [24 CFR 982.201]**

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

#### PHA Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the PHA's waiting list.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

- HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

#### PHA Policy

The PHA has not established any additional categories of eligible low-income families.

#### **Using Income Limits for Targeting [24 CFR 982.201]**

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

#### **CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]**

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

#### **Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

#### ***U.S. Citizens and Nationals***

In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

#### PHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

### ***Eligible Noncitizens***

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

### ***Ineligible Noncitizens***

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination.

### **Ineligible Families [24 CFR 5.514(d), (e), and (f)]**

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

#### PHA Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

#### **Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

#### PHA Policy

The PHA will verify the citizenship status of applicants at the time other eligibility factors are determined.

#### **SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]**

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

*Note:* These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

#### **FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232; HCV GB, p. 5-13]**

HUD requires that each adult family member, and the head of household, spouse, or cohead, regardless of age, sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other

consent forms as needed to collect information relevant to the family's eligibility and level of assistance. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)].

#### PHA Policy

The PHA has established a policy that the family's revocation of consent to allow the PHA to access records from financial institutions will result in denial of admission and termination of assistance.

### **STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]**

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

#### **Definitions**

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

#### ***Dependent Child***

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.



## ***Independent Student***

### PHA Policy

The PHA will consider a student “independent” from their parents and the parents’ income will not be considered when determining the student’s eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from their parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

The individual is at least 24 years old by December 31 of the award year for which aid is sought

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence

The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes

The individual is a graduate or professional student

The individual is married

The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent) The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

The individual was not claimed as a dependent by their parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth* such a determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

### ***Institution of Higher Education***

The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education*.

### ***Parents***

#### PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

### ***Person with Disabilities***

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities*.

### ***Veteran***

#### PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

### ***Vulnerable Youth***

#### PHA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

### **Determining Student Eligibility**

If a student is applying for assistance on their own, apart from their parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from their parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

#### PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from their parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies. The applicant family will have the right to request an informal review.

### **Determining Parental Income Eligibility**

#### PHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of their parents and has not had contact with or does not know where to contact their other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and

certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

## **EIV SYSTEM SEARCHES [Notice PIH 2018-18; EIV FAQs; EIV System Training 9/30/20]**

### **Existing Tenant Search**

Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module. The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

#### PHA Policy

The PHA will contact the PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. The PHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

### **Debts Owed to PHAs and Terminations**

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

#### PHA Policy

The PHA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

The PHA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, the PHA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

## **Income and Income Validation Tool (IVT) Reports**

For each new admission, the PHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. The PHA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

## **DENIAL OF ASSISTANCE**

### **OVERVIEW**

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

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

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

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16].

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

**Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]**

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

**Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]**

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability.
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance

**MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]**

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

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

PHA Policy

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

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

PHA Policy

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

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

PHA Policy

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

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

PHA Policy

The PHA will only deny for mandatory denial reasons [24 CFR 982.553(a)] under any of the Project-Based Voucher projects serving homeless populations through Coordinated Entry and that provide supportive services.

## **OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE**

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

### **Criminal Activity [24 CFR 982.553]**

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

PHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years, the family will be denied assistance.

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force



substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

*Immediate vicinity* means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past three years.

Records of arrests for drug-related or violent criminal activity within the past three years, although a record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

#### **Previous Behavior in Assisted Housing [24 CFR 982.552(c)]**

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing.

PHAs are not permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 984.101(d)].

#### **PHA Policy**

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally assisted housing in the last three years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

When denying admission due to family debts as shown in HUD's EIV system, the PHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family's claim. The PHA will consider the information provided by the family prior to issuing a notice of denial.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

## **SCREENING**

### **Screening for Eligibility**

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

#### PHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information center (NCIC).

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender

program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

PHA Policy

The PHA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

**Screening for Suitability as a Tenant [24 CFR 982.307]**

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

PHA Policy

The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided to the PHA by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

PHA Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history or criminal history, etc.

## **CRITERIA FOR DECIDING TO DENY ASSISTANCE**

### **Evidence [24 CFR 982.553(c)]**

#### PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

### **Consideration of Circumstances [24 CFR 982.552(c)(2)]**

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory.

#### PHA Policy

The PHA will consider the following facts and circumstances prior to making its decision:

- The seriousness of the case, especially with respect to how it would affect other residents' safety or property

- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act

- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, or stalking

- The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for denial, an arrest may trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

- Any statements made by witnesses or the applicant not included in the police report

- Whether criminal charges were filed

- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

- Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

### **Removal of a Family Member's Name from the Application**

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

#### PHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon PHA request.

### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### PHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance.

### **NOTICE OF ELIGIBILITY OR DENIAL**

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a tenant briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been

denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)].

#### PHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

#### PHA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within that 10-day period, the PHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

### **PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING**

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

#### **Notification**

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

#### PHA Policy

The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the PHA's policies.

While the PHA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform the PHA that their status as a victim is directly related to the grounds for the denial. The PHA will request that the applicant provide enough

information to the PHA to allow the PHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The PHA will request in writing that an applicant wishing to claim protection under VAWA notify the PHA within 14 business days.

## **Documentation**

### ***Victim Documentation [24 CFR 5.2007]***

#### PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault or stalking, the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

### ***Perpetrator Documentation***

#### PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to their belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

## **Overview Application, Waiting List, and Tenant Selection**

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

#### **APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16]**

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

##### PHA Policy

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

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

The one-step application process will be used for special purpose vouchers applicants that are referred to the HCV waiting list by a partnering agency or by self-referral during a time when it is closed. Applications will be made available to applicants via mail, email or fax at the time of referral.

The one-step application process will be used for priority preference applicants that are referred to the HCV waiting list by a partnering agency during a time when it is closed. Applications will be made available to applicants via mail, email or fax at the time of referral.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

The format that the PHA has established for accepting applications at the time of the waiting list opening will determine where applications will be made available and submitted. If pre-applications are to be accepted on-line, the applicant will submit a pre-application through the PHA-established, on-line portal as directed in the public notice announcing the opening of the HCV waiting list. If the applicant does not have access to a computer, the PHA will have a designated computer in-house which an applicant may use to submit a pre-application. If the PHA establishes a written format for pre-applications, completed applications must be returned to the PHA by mail or submitted in person during normal business hours.

All pre-applicants will receive a receipt at the time of application verifying that they have successfully completed a pre-application to the HCV waiting list. No determination of eligibility is made at the receipt of application.



## **ACCESSIBILITY OF THE APPLICATION PROCESS**

### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The PHA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

### **Limited English Proficiency**

PHAs are required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

## **PLACEMENT ON THE WAITING LIST**

The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

### **Ineligible for Placement on the Waiting List**

#### PHA Policy

If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 60 business days of receiving a complete application. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

### **Eligible for Placement on the Waiting List**

#### PHA Policy

The PHA will send written notification of the preliminary eligibility determination within 60 business days of receiving a complete application.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to a randomly assigned lottery process.

## **MANAGING THE WAITING LIST**

### **OVERVIEW**

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

### **ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]**

The PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

#### PHA Policy

The PHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

#### PHA Policy

The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates.



## **OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

### **Closing the Waiting List**

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

#### PHA Policy

The PHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 12 months for the most current applicants. Where the PHA has particular preferences or funding criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

### **Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

#### PHA Policy

The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. The notice will provide potential applicants with the information that includes the PHA address and telephone number, how to submit an application, information on eligibility requirements, how and when applications may be submitted, and when they will be notified of their placement on the waiting list. The notice will also include the date and time the application process will close. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to: The Olympian. The PHA will also provide public notice to public and private agencies that serve the low income population.

### **Placement of Applications**

#### PHA Policy

When the HCV waiting list is open, pre-applications will be accepted during the open period of no less than 2 weeks as if all applications were received at the same date and time. After the waiting list has closed, pre-applicants will be pulled randomly through a lottery process. The number of randomly pulled applications will be adequate to cover projected turnover and new allocations over the next 24 months. The assignment on the waiting list will be based on the order pre-applicants are randomly pulled from all eligible applications.

## **FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

### PHA Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

## **REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

### PHA Policy

While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

The family must also notify the PHA of changes in family composition. Changes in the original pre-application family and household composition will be approved and/or denied based on the reexamination criteria outlined in Chapter 11, Section II-B, New Family and Household Members Requiring Approval and Departure of a Family or Household Member section of this document. The change must be reported in writing within 10 business days.

## **UPDATING THE WAITING LIST [24 CFR 982.204]**

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

### **Purging the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

#### PHA Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, by email, or by fax. Responses should be postmarked or received by the PHA not later than 15 business days from the date of the PHA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if it is determined that the lack of response was due to PHA error, or to circumstances beyond the family's control, as a result of a family member's disability, or as a direct result of status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including an adverse factor resulting from such abuse.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless they contact the PHA within 30 days of the date of removal.

## **Removal from the Waiting List**

### PHA Policy

All applications will remain in the "active status" unless:

- If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3); the family will be removed from the waiting list.
- If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].
- The application is withdrawn at the applicant's request.
- The applicant receives rental assistance in a HATC funded Project-Based Voucher Program
- The applicant declines the offer of assistance under the voucher program unless there is good cause for the applicant to decline the offer of assistance.

Examples of good cause related to an applicant's willingness to accept an offer of assistance, but are unable to continue with the application process at the time of the offer include:

- Health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
- The family head, spouse or sole member is serving on an impaneled jury.
- Applicant in a lease and unable to accept the offer of housing assistance without breaking lease. Applicant must submit verification of lease. Upon receipt of verification of lease, applicant's application will be placed inactive. Applicant will have the responsibility of contacting HATC when lease term is ended in order to be considered for the next eligible voucher. Applicant must contact the HATC within 12 months of being placed inactive due to being in a lease. No further outreach will be made to applicant. Applicants will be allowed to deny opportunity for housing due to lease requirements only one time.

It is the responsibility of each applicant to inform the PHA of any change of status, address, telephone number, etc.

Unless otherwise stated, an application will be filed inactive in any of the above events. Re-application will be necessary if the family wishes to again be considered for housing assistance.

PHA's decision to withdraw from the waiting list the name of an applicant family that includes a person with disabilities is subject to reasonable accommodation (24 CFR part 8). If the applicant did not respond to the PHA's request for information or updates because of the family member's disability, the PHA will reinstate the applicant in the family's original position on the waiting list within 12 months from date of termination.

## **SELECTION FOR HCV ASSISTANCE OVERVIEW**

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

## **SELECTION AND HCV FUNDING SOURCES**

### **Special Admissions [24 CFR 982.203]**

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. The PHA must maintain records showing that such families were admitted with special program funding.

### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

#### PHA Policy

The PHA administers the following types of targeted funding:

#### Family Unification

Families for whom the lack of adequate housing is the primary factor in separation, or threat of separation, of children from the family; and youth ages 18-24 who left or are leaving foster care and lack adequate housing.

#### Mainstream Vouchers

Families where at least one member is a non-elderly disabled (NED) (adult between the ages of 18-61 and has a disability) who is homeless, at risk homeless, institutionalized, or at risk of institutionalization.

#### Non-Elderly Disabled 1



Families where the head, co-head, spouse or sole member is an NED adult (adult between the ages of 18-61 and has a disability).

Veteran Affairs Supportive Housing (VASH)

The VASH voucher program assists homeless veterans. This program is a partnership between the Veterans Administration, HUD, and the PHA.

Foster Youth to Independence (FYI)

For youth at least 18 years and not more than 24 years of age (have not reached their 25<sup>th</sup> birthday) who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act and are homeless or are at risk of becoming homeless at age 16 or older.

**Regular HCV Funding**

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

**SELECTION METHOD**

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

**Local Preferences [24 CFR 982.207; HCV p. 4-16]**

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

PHA Policy

The PHA will offer a preference to any family terminated from its HCV program due to insufficient program funding.

**Residency Preference**

Households that live (at the time of pre-application or eligibility) or work within Thurston County and are able to provide appropriate documentation/verification of home or work address will be given first preference. The use of the residency preference will not have the purpose or effect of delaying or denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

Households that meet the residency preference will be served with priority given to the following households:

- Elderly
- Disabled
- Near Elderly: 50 and over

- Families with minor or disabled adult children and pregnant women
- Single individuals or couples who are victims of DV or hate crimes
- Single individuals or couples who are victims of a declared natural disaster
- Families who are homeless

If there are no households remaining on the waiting list who meet one of the above priorities, households who meet the residency preference will be served first over other household who do not meet the residency preference but may meet one of the above priorities. Applicants who do not meet the residency preference and one of the designated priorities may remain on the waiting list until such time as they meet the residency preference and one of the designated priorities or the waiting list has been exhausted of these households.

### **Waiting List Placement Priority**

The following households who meet the residency preference and a priority will be placed on the waiting list even when the waiting list is closed and will be given top priority over those applicants already on the waiting list:

- A family that has been granted a temporary suspension of assistance to accommodate a disability.
- A family that has lived in a Project-Based Assisted unit for one year gets priority for the next available tenant-based voucher.
- Mainstream Vouchers (limited to 170 vouchers) for families where at least one member is a non-elderly disabled (NED) (adult between the ages of 18-61 and has a disability) and who is homeless, at risk of homelessness, institutionalized, or at risk of institutionalization. By referral from partnering agencies or direct application.
- Set-a-side Non-Elderly Disabled I (NED) Vouchers (limited to 50 vouchers) for families where the head, co-head, spouse, or sole member is a non-elderly adult with a disability (adult between the ages of 18-61) who is homeless, at risk of homelessness, institutionalized, or at risk of institutionalization. By referral from partnering agencies or direct application.
- Family Unification Program (limited to 68 vouchers) for families whom the lack of adequate housing is the primary factor in separation, or the threat of imminent separation of children from the family; or youth ages 18-24 who left or are leaving foster care and lack adequate housing. By referral from the Division of Children, Youth, and Families (DCYF).
- The Family Unification Program (FUP) has been vital to the solution of transitioning children in foster care back to their families where housing is the barrier to their return and assisting youth aging out of foster care in obtaining and keeping stable housing. In order to keep this asset available to the community after the FUP is fully leased, the Housing Authority of Thurston County will transition up to two (2) FUP participants a month to a general Housing Choice Voucher (HCV). The FUP vouchers released will be made available to the DCYF for new referrals. In order to be transitioned to a general HCV, the FUP family must have successfully completed at least one year of tenancy under the FUP. In the cases of youth aging out of foster care, the youth must have successfully completed 18 months under FUP program and be determined by the FUP assigned Housing Program Specialist to be unlikely to sustain self-sufficient housing without continued HCV rental assistance support.

- Veteran's Affairs Supportive Housing (VASH) (limited to 105 vouchers) for Veteran households experiencing homelessness. By referred from the American Lake VA.
- Homeless families with children who are participating in a short or long-term homeless supportive housing program and are receiving case-managed supportive services and are in need of long-term rental assistance. By referral from agencies participating in Thurston County's Coordinated Entry system or other homeless intake system as approved by the Rental Assistance Director.
- Persons living in Project Based units at the time of the owner going under contract will be granted housing assistance even though they may not have been on the voucher waiting list.
- The PHA will give a preference for a tenant-based voucher over other project-based to tenant-based voucher requests to participants residing in project-based voucher-assisted properties Pear Blossom Place and Pear Street Apartments. This preference is being offered as part of the Continuum of Care to end homelessness for families with children and children aging out of foster care. Pear Blossom Place with seven units is the only permanent housing with intensive case management for homeless families with children in Thurston County. Pear Street Apartments with six units is the only permanent housing with intensive case management for youth aging out of foster care in Thurston County.
- A family being displaced by a HATC new housing project funded by local, state, or federal funds may receive a housing voucher to offset the relocation costs to the project.
- The PHA will accept referrals for families with an honorably discharged Veteran family member where the family qualifies as an extremely-low income family or demonstrates and verifies a housing need as defined under "Income Targeting Requirements" in the HCV Administrative Plan. This preference is limited to a maximum of 15 vouchers at any given time, per calendar year and is dependent on availability of vouchers.- Eligible households are referred by:
  - Thurston County Public Health & Social Services Department
  - Washington State Department of Veterans Affairs
  - United State Department of Veterans Affairs.
  - Or other applicable agencies.
- Formerly homeless singles/couples who are residing in a short or long-term homeless housing program who are determined to need long-term rental assistance. By referral from agencies participating in Thurston County's Coordinated Entry system or other homeless intake system as approved by the Rental Assistance Director or Housing Program Supervisor.

#### **Income Targeting Requirement [24 CFR 982.201(b)(2)]**

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary

termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

### PHA Policy

The PHA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

### **Order of Selection**

The PHA system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

### PHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected based on a families ranking on the HCV waiting list. Ranking of pre-applications will be determined by random lottery pull. The random lottery pull will occur at the end of each waiting list opening. Pre-applicants will be assigned a permanent ranking number. The pre-applicants will be pulled from the waiting list based on the applicants ranking number. The lowest ranking number will be the next pre-applicant pulled. Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher-placed families each time targeted selections are made.

### **NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

### PHA Policy

The PHA will notify the family by first class mail or email when it is selected from the waiting list. The notice will inform the family of the following:

The PHA will notify the family by first-class mail when it is selected from the waiting list. The notice will inform the family of the following:

Deadline for the receipt of the full application and notice of termination if the paperwork is not received by the deadline.

Documents that must be provided to document the legal identity of household members, including information about what constitutes acceptable documentation, income verification, picture identification, social security cards and other verifications needed to determine eligibility.

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. No further notice is sent.

If the family fails to return the requested paperwork in the time allotted, a notice of denial (see Chapter 3) will be sent to the family's address of record.

## **THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

### PHA Policy

PHA staff will conduct a review of family eligibility through the review of submitted documents and by contacting either the head-of-household or the spouse/cohead or both by phone or email to clarify any unclear information. If the PHA determines it is necessary to make a determination of eligibility, it will schedule a family to participate in an eligibility interview.

The head of the household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.

The head of household or spouse/cohead must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity.) If the family representative does not provide the required documentation at the time of the interview, he or she will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 90 days. If not all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, and must complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides

details about longer submission deadlines for particular items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued.

## **SELECTION OF PBV PROGRAM PARTICIPANTS**

### **OVERVIEW**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

### **ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

#### PHA Policy

The PHA will determine an applicant family's eligibility for the PBV program in accordance with the HCV policies.

#### **In-Place PBV Families [24 CFR 983.251(b)]**

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

#### **ORGANIZATION OF THE PBV WAITING LIST [24 CFR 983.251(c)]**

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and project-based assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

#### PHA Policy

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance. The PHA currently has waiting lists for the following PBV projects:

B and B Apartments

Billy Frank Junior Place

Drexel House

Drexel House II for Veterans

Evergreen Vista

Evergreen Vista II

Fleetwood Apartments

Homes First Scattered Sites

Krislen Apartments



Pear Street Apartments

Pear Blossom Place

The Gardens

Tumwater Cove

Quixote Village.

Unity Commons

#### **SELECTION FROM THE PBV WAITING LIST [24 CFR 983.251(c)]**

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

#### **Income Targeting [24 CFR 983.251(c)(6)]**

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely low-income families. The income targeting requirement applies to the total of admissions to both programs.

#### **Units with Accessibility Features [24 CFR 983.251(c)(7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

#### **Preferences [24 CFR 983.251(d), FR Notice 11/24/08]**

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with "excepted units" for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

#### **PHA Policy**

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, or mobility impaired

persons for accessible units). The PHA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

**B and B Apartments**

Single individuals with disabilities who would benefit from receiving supportive services by referral

**Billy Frank Junior**

Families who have been chronically homeless who qualify for one and two-bedroom units and would benefit from receiving supportive services by referral from Coordinated Entry

**Drexel House**

Single individuals who have been chronically homeless and who would benefit from receiving supportive service by referral from Coordinated Entry

**Drexel House II for Veterans**

Single Veterans who have chronically homeless and who would benefit from receiving supportive services by referral from Coordinated Entry

**Evergreen Vista**

Families who qualify for a two or three-bedroom unit – HATC managed waiting list.

**Evergreen Vista II**

Families who qualify for one, two, or three-bedroom units and who would benefit from receiving supportive services – HATC managed waiting list.

Ten (10) set-aside units for homeless families who would benefit from receiving supportive services

Ten (10) set-aside units for families with a disabled family member who would benefit from receiving supportive services

**Fleetwood Apartments**

Single individuals who have been chronically homeless and who would benefit from receiving supportive services by referral from Coordinated Entry

**Homes First Scattered Site Properties**

Families who qualify for one, two, three, and four-bedroom units

**Krislen Apartments**

Individuals who are 62 and over or persons in self-sufficiency services with the Department of Developmental Disabilities

**Pear Blossom Place**

Families with children who have been chronically homeless and who qualify for a two or three-bedroom unit and who would benefit from receiving supportive services by referral from Coordinated Entry

Pear Street Apartments

Individuals who are exiting foster care and who would benefit from receiving supportive services by referral from Coordinated Entry

The Gardens

Single individuals with disabilities who would benefit from receiving supportive services by referral from Coordinated Entry

Tumwater Cove

Single individuals with disabilities who would benefit from receiving supportive services by referral from Coordinated Entry

Quixote Village

Single individuals who have been chronically homeless and who would benefit from receiving supportive services by referral from Coordinated Entry

Unity Commons

Single individuals or couples without children who have been chronically homeless and who would benefit from receiving supportive services by referral from Coordinated Entry

Unity Commons VASH

Single individuals or couples without children who qualify under VASH eligibility – by referral from VA only

**OFFER OF PBV ASSISTANCE**

**Refusal of Offer [24 CFR 983.251(e)(3)]**

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

**Disapproval by Landlord [24 CFR 983.251(e)(2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

## **Acceptance of Offer [24 CFR 983.252]**

### ***Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

### ***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

### ***Persons with Limited English Proficiency***

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

## **OWNER SELECTION OF PBV TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

### **Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

### **Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

#### PHA Policy

The owner must notify the PHA in writing (mail, fax, or email) within five business days of learning about any vacancy or expected vacancy.

The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

PHA Policy

When vacancies occur in Evergreen Vista II's set-aside units that serve homeless families and individuals, Evergreen Vista management will seek referrals from Safeplace (DV service provider) or Thurston County's Coordinated Entry system. Evergreen Vista management will submit the approved referred applicant to the PHA within 10 business days of receiving the referral from the service provider.

PHA Policy

When vacancies occur in the following PBV projects that serve chronically homeless families/individuals, Thurston County's Coordinated entry will refer the next eligible family/individual to the appropriate PBV project with an available unit. The PBV project will submit the referral to the PHA within 10 business days of receiving the referral.

Billy Frank Junior Place

Drexel House

Drexel House II for Veterans

Fleetwood Apartments

Pear Blossom Place

Quixote Village

Pear Street Apartments

Unity Commons

**ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, meet asset limitation requirements, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

PHA Policy

The PHA will determine an applicant family's eligibility for the PBV program in accordance with the HCV policies.

## ELIGIBILITY AND ADMISSION POLICIES

### INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
  - Not currently receiving a duplicative subsidy.
  - Meet net asset and property ownership restriction requirements.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

### DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

#### OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

#### **FAMILY AND HOUSEHOLD [24 CFR 5.403; FR Notice 02/03/12; Notice PIH 2014-20; and FR Notice 2/14/23]**

The terms *family* and *household* have different meanings in the HCV program.

#### **Family**

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together. Such group

includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

#### PHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application and must notify the PHA if the family's composition changes.

### **Household**

*Household* is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

### **HEAD OF HOUSEHOLD [24 CFR 5.504(b)]**

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

#### PHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

### **SPOUSE, COHEAD, AND OTHER ADULT**

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

#### PHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

### PHA Policy

Minors who are emancipated under state law may be designated as coheads.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

### **DEPENDENT AND MINORS [24 CFR 5.603]**

A *minor* is a member of the family, other than the head of family or spouse, who is under 18 years of age. A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides.

### **Joint Custody of Dependents**

#### PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

### **FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]**

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

### **ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]**

#### **Elderly Persons**

An *elderly person* is a person who is at least 62 years of age.

#### **Near-Elderly Persons**

A *near-elderly person* is a person who is 50-61 years of age.

#### **Elderly Family**

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person.



**PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403,  
FR Notice 02/03/12]**

**Persons with Disabilities**

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

The PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

**Disabled Family**

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

**GUESTS [24 CFR 5.100]**

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

PHA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 60 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

**FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]**A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a *foster adult* under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

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

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

#### PHA Policy

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

### **ABSENT FAMILY MEMBERS**

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

#### **Definitions of Temporarily and Permanently Absent**

#### PHA Policy

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

#### **Absent Students**

#### PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

#### **Absences Due to Placement in Foster Care [24 CFR 5.403]**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

#### PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

### **Absent Head, Spouse, or Cohead**

#### PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

### **Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

#### PHA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence.

### **Return of Permanently Absent Family Members**

#### PHA Policy

The family must request PHA approval for the return of any adult family members that the PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

### **LIVE-IN AIDE**

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

#### PHA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request-subject to PHA verification-at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The PHA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

## **BASIC ELIGIBILITY CRITERIA**

### **INCOME ELIGIBILITY AND TARGETING**

#### ***Income Limits***

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

#### **Definitions of the Income Limits [24 CFR 5.603(b)]**

*Low-income family.* A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

*Very low-income family.* A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

*Extremely low-income family.* A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

#### **Using Income Limits for Eligibility [24 CFR 982.201 and Notice PIH 2023-27]**

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards. In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family

- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

PHA Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the PHA's waiting list.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101 HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

PHA Policy

The PHA has not established any additional categories of eligible low-income families.

**Using Income Limits for Targeting [24 CFR 982.201]**

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

***CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]***

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

### **Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

### ***U.S. Citizens and Nationals***

In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

#### PHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

### ***Eligible Noncitizens***

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

### ***Ineligible Noncitizens***

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

### **Ineligible Families [24 CFR 5.514(d), (e), and (f)]**

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

#### PHA Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

### **Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

#### PHA Policy

The PHA will verify the citizenship status of applicants at the time other eligibility factors are determined.

***SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]***

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

*Note:* These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

***FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232; HCV GB, p. 5-13]***

HUD requires that each adult family member, and the head of household, spouse, or cohead, regardless of age, sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)].

PHA Policy

The PHA has established a policy that the family's revocation of consent to allow the PHA to access records from financial institutions will result in denial of admission and termination of assistance.



## **STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION** **[24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/16]**

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

### **Definitions**

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

#### ***Dependent Child***

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

#### ***Independent Student***

##### PHA Policy

The PHA will consider a student "independent" from their parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from their parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

The individual is at least 24 years old by December 31 of the award year for which aid is sought.

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older.

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence.

The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes.

The individual is a graduate or professional student.

The individual is married.

The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent).

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director.

A financial aid administrator

The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

The individual was not claimed as a dependent by their parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth* such a determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

### ***Institution of Higher Education***

The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

### ***Parents***

#### PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

### ***Person with Disabilities***

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities*.

### ***Veteran***

#### PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

### ***Vulnerable Youth***

#### PHA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older.

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence.

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

### **Determining Student Eligibility**

If a student is applying for assistance on their own, apart from their parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from their parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

#### PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program.

Determine whether the student is independent from their parents in accordance with the definition of *independent student* in this section.

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program.

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial.

### ***Determining Parental Income Eligibility***

#### PHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of their parents and has not had contact with or does not know where to contact their other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

## **EIV SYSTEM SEARCHES [EIV FAQs; EIV System Training 9/30/20; and Notice PIH 2023-27]**

### **Existing Tenant Search**

Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module. The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

#### PHA Policy

The PHA will contact the other PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. The PHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

### **Debts Owed to PHAs and Terminations**

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

#### PHA Policy

The PHA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

The PHA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, the PHA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

## **Income and Income Validation Tool (IVT) Reports**

For each new admission, the PHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. The PHA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

## **DENIAL OF ASSISTANCE**

### **OVERVIEW**

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. A PHA may deny assistance for an applicant because of the family's action or failure to act as described in 24 CFR 982.552 or 982.553. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

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

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

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof. PHAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a PHA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the PHA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

**Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]**

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

**Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]**

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability. (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

***MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a) and 24 CFR 982.552(b)(6)]***

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

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

PHA Policy

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

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

PHA Policy

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

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

PHA Policy

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

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

PHA Policy

The PHA will only deny for mandatory denial reasons [24 CFR 982.553(a), HATC Admin Plan 3-III.B] under any of the Project-Based Voucher projects serving homeless populations through Coordinated Entry and that provide supportive services.

- Any member of the family fails to sign and submit consent forms for obtaining information.
- The family does not meet the restrictions on net assets and real property ownership as required by 24 CFR 5.618.

**RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]**

There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.

First, assistance may not be provided to any family if the family's net assets exceed \$100,000 (adjusted annually by HUD).

Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

- A present ownership interest in the real property; and
- A legal right to reside in the real property; and
- The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.

However, the real property restriction does not apply in the following circumstances:



- Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;
- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;
- Any family that is offering the property for sale; or
- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.
  - When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered *suitable for occupancy* unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);
- Is not sufficient for the size of the family;  
PHA Policy  
The PHA defines *not sufficient for the size of the family* as being overcrowded based on the PHA's subsidy standards in Chapter 5 of this policy.
- Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA or owner);
- Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the state or local laws of the jurisdiction where the property is located

#### **OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE**

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

##### **Criminal Activity [24 CFR 982.553]**

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

### PHA Policy

If any household member is currently engaged in or has engaged in any of the following criminal activities, within the past three years, the family will be denied assistance.

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug [24 CFR 5.100]

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100]

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity

*Immediate vicinity* means within a three-block radius of the premises.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse; or Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

*Immediate vicinity* means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past three years.

Records of arrests for drug-related or violent criminal activity within the past three years, although a record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.F and 3-III.g. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

### ***Previous Behavior in Assisted Housing [24 CFR 982.552(c)]***

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing.

PHAs are not permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 984.101(d)].

### PHA Policy

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally assisted housing in the last three years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

When denying admission due to family debts as shown in HUD's EIV system, the PHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family's claim. The PHA will consider the information provided by the family prior to issuing a notice of denial.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.F and 3-III.G. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

## **SCREENING**

### **Screening for Eligibility**

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

#### PHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information center (NCIC).

While a PHA has regulatory authority to use criminal conviction records for the purpose of applicant screening for admission, there is no corresponding authority to use these records to check for criminal and illegal drug activity by participants, and therefore, PHAs may not use records for this purpose.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

#### PHA Policy

The PHA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

### **Screening for Suitability as a Tenant [24 CFR 982.307]**

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

#### PHA Policy

The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided to the PHA by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, stalking or human trafficking except at the written request or with the written consent of the individual providing the documentation [see 24 CFR 5.2007(a)(4)].

#### PHA Policy

The PHA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the initial inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history or criminal history, etc.

### **CRITERIA FOR DECIDING TO DENY ASSISTANCE**

#### **Evidence [24 CFR 982.553(c)]**

#### PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

### **Consideration of Circumstances [24 CFR 982.552(c)(2)]**

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory.

#### PHA Policy

The PHA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property.

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act.

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.H) a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking.

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future.

While a record or records of arrest will not be used as the sole basis for denial, an arrest may trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses, or the applicant not included in the police report.

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal.

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity.

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property.

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully.

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

### **Removal of a Family Member's Name from the Application**

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

#### PHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon PHA request.

### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### PHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

### ***NOTICE OF ELIGIBILITY OR DENIAL***

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a tenant briefing.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)].

#### PHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the

PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

#### PHA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within that 10-day period, the PHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

#### ***PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING AND HUMAN TRAFFICKING***

The Violence against Women Act (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

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

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

#### **Notification**

VAWA requires PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

#### PHA Policy

The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the PHA's policies.



While the PHA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, stalking, or human trafficking the applicant may inform the PHA that their status as a victim is directly related to the grounds for the denial. The PHA will request that the applicant provide enough information to the PHA to allow the PHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The PHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. The PHA will request in writing that an applicant wishing to claim protection under VAWA notify the PHA within 14 business days.

## **Documentation**

### ***Victim Documentation [24 CFR 5.2007]***

#### PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault stalking, or human trafficking the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

### ***Perpetrator Documentation***

#### PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to their belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

## **Overview Application, Waiting List, and Tenant Selection**

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

### **APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16]**

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

#### PHA Policy

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

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

The one-step application process will be used for special purpose vouchers applicants that are referred to the HCV waiting list by a partnering agency or by self-referral during a time when it is closed. Applications will be made available to applicants via mail, email or fax at the time of referral.

The one-step application process will be used for priority preference applicants that are referred to the HCV waiting list by a partnering agency during a time when it is closed. Applications will be made available to applicants via mail, email or fax at the time of referral.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

The format that the PHA has established for accepting applications at the time of the waiting list opening will determine where applications will be made available and submitted. If pre-applications are to be accepted on-line, the applicant will submit a pre-application through the PHA-established, on-line portal as directed in the public notice announcing the opening of the HCV waiting list. If the applicant does not have access to a computer, the PHA will have a designated computer in-house which an applicant may use to submit a pre-application. If the PHA establishes a written format for pre-

applications, completed applications must be returned to the PHA by mail or submitted in person during normal business hours.

All pre-applicants will receive a receipt at the time of application verifying that they have successfully completed a pre-application to the HCV waiting list. No determination of eligibility is made at the receipt of application.

## **ACCESSIBILITY OF THE APPLICATION PROCESS**

### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The PHA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

### **Limited English Proficiency**

PHAs are required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

## **PLACEMENT ON THE WAITING LIST**

The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

### **Ineligible for Placement on the Waiting List**

#### PHA Policy

If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 60 business days of receiving a complete application. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

## **Eligible for Placement on the Waiting List**

### PHA Policy

The PHA will send written notification of the preliminary eligibility determination within 60 business days of receiving a complete application.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to a randomly assigned lottery process.

## **MANAGING THE WAITING LIST**

### **OVERVIEW**

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

### **ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]**

The PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

### PHA Policy

The PHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

PHA Policy

The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates.

**OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

**Closing the Waiting List**

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

PHA Policy

The PHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 12 months for the most current applicants. Where the PHA has particular preferences or funding criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

**Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

PHA Policy

The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. The notice will provide potential applicants with the information that includes the PHA address and telephone number, how to submit an application, information on eligibility requirements, how and when applications may be submitted, and when they will be notified of their placement on the waiting list. The notice will also include the date and time the application process will close. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to: The Olympian. The PHA will also provide public notice to public and private agencies that serve the low income population.

## **Placement of Applications**

### PHA Policy

When the HCV waiting list is open, pre-applications will be accepted during the open period of no less than 2 weeks as if all applications were received at the same date and time. After the waiting list has closed, pre-applicants will be pulled randomly through a lottery process. The number of randomly pulled applications will be adequate to cover projected turnover and new allocations over the next 24 months. The assignment on the waiting list will be based on the order pre-applicants are randomly pulled from all eligible applications.

### **FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

### PHA Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

## **REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

### PHA Policy

While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

The family must also notify the PHA of changes in family composition. Changes in the original pre-application family and household composition will be approved and/or denied based on the reexamination criteria outlined in Chapter 11, Section II-B, New Family and Household Members Requiring Approval and Departure of a Family or Household Member section of this document. The change must be reported in writing within 10 business days.

## **UPDATING THE WAITING LIST [24 CFR 982.204]**

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

### **Purging the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

### PHA Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, by email, or by fax. Responses should be postmarked or received by the PHA not later than 15 business days from the date of the PHA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if it is determined that the lack of response was due to PHA error, or to circumstances beyond the family's control, as a result of a family member's disability, or as a direct result of status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, including an adverse factor resulting from such abuse.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless they contact the PHA within 30 days of the date of removal.

### **Removal from the Waiting List**

#### PHA Policy

All applications will remain in the "active status" unless:

- If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3); the family will be removed from the waiting list.
- If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].
- The application is withdrawn at the applicant's request.
- The applicant receives rental assistance in a HATC funded Project-Based Voucher Program
- The applicant declines the offer of assistance under the voucher program unless there is good cause for the applicant to decline the offer of assistance.

Examples of good cause related to an applicant's willingness to accept an offer of assistance, but are unable to continue with the application process at the time of the offer include:

- Health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
- The family head, spouse or sole member is serving on an impaneled jury.
- Applicant in a lease and unable to accept the offer of housing assistance without breaking lease. Applicant must submit verification of lease. Upon receipt of verification of lease, applicant's application will be placed inactive. Applicant will have the responsibility of contacting HATC when lease term is ended in order to be considered for the next eligible voucher. Applicant must contact the HATC within 12 months of being placed inactive due to being in a lease. No further outreach will be made to applicant. Applicants will be allowed to deny opportunity for housing due to lease requirements only one time.



It is the responsibility of each applicant to inform the PHA of any change of status, address, telephone number, etc.

Unless otherwise stated, an application will be filed inactive in any of the above events. Re-application will be necessary if the family wishes to again be considered for housing assistance.

PHA's decision to withdraw from the waiting list the name of an applicant family that includes a person with disabilities is subject to reasonable accommodation (24 CFR part 8). If the applicant did not respond to the PHA's request for information or updates because of the family member's disability, the PHA will reinstate the applicant in the family's original position on the waiting list within 12 months from date of termination.

## **SELECTION FOR HCV ASSISTANCE OVERVIEW**

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

## **SELECTION AND HCV FUNDING SOURCES**

### **Special Admissions [24 CFR 982.203]**

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. The PHA must maintain records showing that such families were admitted with special program funding.

### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

#### PHA Policy

The PHA administers the following types of targeted funding:

#### Family Unification

Families for whom the lack of adequate housing is the primary factor in separation, or threat of separation, of children from the family; and youth ages 18-24 who left or are leaving foster care and lack adequate housing.

#### Mainstream Vouchers

Families where at least one member is a non-elderly disabled (NED) (adult between the ages of 18-61 and has a disability) who is homeless, at risk homeless, institutionalized, or at risk of institutionalization.

#### Non-Elderly Disabled 1

Families where the head, co-head, spouse or sole member is an NED adult (adult between the ages of 18-61 and has a disability).

#### Veteran Affairs Supportive Housing (VASH)

The VASH voucher program assists homeless veterans. This program is a partnership between the Veterans Administration, HUD, and the PHA.

#### Foster Youth to Independence (FYI)

For youth at least 18 years and not more than 24 years of age (have not reached their 25<sup>th</sup> birthday) who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act and are homeless or are at risk of becoming homeless at age 16 or older.

### **Regular HCV Funding**

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

### **SELECTION METHOD**

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

### **Local Preferences [24 CFR 982.207; HCV p. 4-16]**

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any

local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

#### PHA Policy

The PHA will offer a preference to any family terminated from its HCV program due to insufficient program funding.

#### **Residency Preference**

Households that live (at the time of pre-application or eligibility) or work within Thurston County and are able to provide appropriate documentation/verification of home or work address will be given first preference. The use of the residency preference will not have the purpose or effect of delaying or denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

Households that meet the residency preference will be served with priority given to the following households:

- Elderly
- Disabled
- Near Elderly: 50 and over
- Families with minor or disabled adult children and pregnant women
- Single individuals or couples who are victims of DV or hate crimes
- Single individuals or couples who are victims of a declared natural disaster
- Families who are homeless

If there are no households remaining on the waiting list who meet one of the above priorities, households who meet the residency preference will be served first over other household who do not meet the residency preference but may meet one of the above priorities. Applicants who do not meet the residency preference and one of the designated priorities may remain on the waiting list until such time as they meet the residency preference and one of the designated priorities or the waiting list has been exhausted of these households.

#### **Waiting List Placement Priority**

The following households who meet the residency preference and a priority will be placed on the waiting list even when the waiting list is closed and will be given top priority over those applicants already on the waiting list:

- A family that has been granted a temporary suspension of assistance to accommodate a disability.
- A family that has lived in a Project-Based Assisted unit for one year gets priority for the next available tenant-based voucher.
- Mainstream Vouchers (limited to 170 vouchers) for families where at least one member is a non-elderly disabled (NED) (adult between the ages of 18-61 and has a disability) and who is homeless, at risk of homelessness, institutionalized, or at risk of institutionalization. By referral from partnering agencies or direct application.

- Set-a-side Non-Elderly Disabled I (NED) Vouchers (limited to 50 vouchers) for families where the head, co-head, spouse, or sole member is a non-elderly adult with a disability (adult between the ages of 18-61) who is homeless, at risk of homelessness, institutionalized, or at risk of institutionalization. By referral from partnering agencies or direct application.
- Family Unification Program (limited to 68 vouchers) for families whom the lack of adequate housing is the primary factor in separation, or the threat of imminent separation of children from the family; or youth ages 18-24 who left or are leaving foster care and lack adequate housing. By referral from the Division of Children, Youth, and Families (DCYF).
- The Family Unification Program (FUP) has been vital to the solution of transitioning children in foster care back to their families where housing is the barrier to their return and assisting youth aging out of foster care in obtaining and keeping stable housing. In order to keep this asset available to the community after the FUP is fully leased, the Housing Authority of Thurston County will transition up to two (2) FUP participants a month to a general Housing Choice Voucher (HCV). The FUP vouchers released will be made available to the DCYF for new referrals. In order to be transitioned to a general HCV, the FUP family must have successfully completed at least one year of tenancy under the FUP. In the cases of youth aging out of foster care, the youth must have successfully completed 18 months under FUP program and be determined by the FUP assigned Housing Program Specialist to be unlikely to sustain self-sufficient housing without continued HCV rental assistance support.
- Veteran's Affairs Supportive Housing (VASH) (limited to 105 vouchers) for Veteran households experiencing homelessness. By referred from the American Lake VA.
- Homeless families with children who are participating in a short or long-term homeless supportive housing program and are receiving case-managed supportive services and are in need of long-term rental assistance. By referral from agencies participating in Thurston County's Coordinated Entry system or other homeless intake system as approved by the Rental Assistance Director.
- Persons living in Project Based units at the time of the owner going under contract will be granted housing assistance even though they may not have been on the voucher waiting list.
- The PHA will give a preference for a tenant-based voucher over other project-based to tenant-based voucher requests to participants residing in project-based voucher-assisted properties Pear Blossom Place and Pear Street Apartments. This preference is being offered as part of the Continuum of Care to end homelessness for families with children and children aging out of foster care. Pear Blossom Place with seven units is the only permanent housing with intensive case management for homeless families with children in Thurston County. Pear Street Apartments with six units is the only permanent housing with intensive case management for youth aging out of foster care in Thurston County.
- A family being displaced by a HATC new housing project funded by local, state, or federal funds may receive a housing voucher to offset the relocation costs to the project.
- The PHA will accept referrals for families with an honorably discharged Veteran family member where the family qualifies as an extremely-low income family or demonstrates and verifies a housing need as defined under "Income Targeting Requirements" in the HCV Administrative Plan. This preference is limited to a maximum of 15 vouchers at any given

time, per calendar year and is dependent on availability of vouchers.- Eligible households are referred by:

- Thurston County Public Health & Social Services Department
- Washington State Department of Veterans Affairs
- United State Department of Veterans Affairs.
- Or other applicable agencies.
- Formerly homeless singles/couples who are residing in a short or long-term homeless housing program who are determined to need long-term rental assistance. By referral from agencies participating in Thurston County's Coordinated Entry system or other homeless intake system as approved by the Rental Assistance Director or Housing Program Supervisor.

### **Income Targeting Requirement [24 CFR 982.201(b)(2)]**

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

#### PHA Policy

The PHA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

### **Order of Selection**

The PHA system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### PHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected based on a families ranking on the HCV waiting list. Ranking of pre-applications will be determined by random lottery pull. The random lottery pull will occur at the end of each waiting list opening. Pre-applicants will be assigned a permanent ranking number. The pre-applicants will be pulled from the waiting list based on the applicants ranking number. The lowest ranking number will be the next pre-applicant pulled. Documentation will be maintained by the PHA as to whether families on the list

qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher-placed families each time targeted selections are made.

## **NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

### PHA Policy

The PHA will notify the family by first class mail or email when it is selected from the waiting list. The notice will inform the family of the following:

The PHA will notify the family by first-class mail when it is selected from the waiting list. The notice will inform the family of the following:

Deadline for the receipt of the full application and notice of termination if the paperwork is not received by the deadline.

Documents that must be provided to document the legal identity of household members, including information about what constitutes acceptable documentation, income verification, picture identification, social security cards and other verifications needed to determine eligibility.

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. No further notice is sent.

If the family fails to return the requested paperwork in the time allotted, a notice of denial (see Chapter 3) will be sent to the family's address of record.

## **THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

### PHA Policy

PHA staff will conduct a review of family eligibility through the review of submitted documents and by contacting either the head-of-household or the spouse/cohead or both by phone or email to clarify any unclear information. If the PHA determines it is necessary

to make a determination of eligibility, it will schedule a family to participate in an eligibility interview.

The head of the household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.

The head of household or spouse/cohead must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity.) If the family representative does not provide the required documentation at the time of the interview, he or she will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 90 days. If not all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, and must complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility.

### **ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, meet asset limitation requirements, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

#### PHA Policy

The PHA will determine an applicant family's eligibility for the PBV program in accordance with the HCV policies.

### **SELECTION OF PBV PROGRAM PARTICIPANTS [24 CFR 983.251(c)]**

The PHA may establish a separate waiting list for PBV units, or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects, buildings, or sets of such units.

#### PHA Policy

In our case, the PHA will have project-specific established waiting lists. Applicants to the PHA's tenant-based waiting list are given a referral guide to all the project-based programs and are encouraged to place their names on all the project waiting lists for which they would qualify. The following projects collect applications and co-maintain waiting lists with the PHA.

B and B Apartments

Pear Street Apartments

Drexel House, Phase I and II

Evergreen Vista, Phases I and II

Quixote Village



Homes First  
Krislen Apartments  
Pear Blossom Place  
Tumwater Cove  
The Gardens  
Billy Frank Jr. Place

Once PBV project manager approves an applicant for tenancy, paperwork is sent to the Housing Authority for voucher program eligibility and the process toward tenancy begins. The Housing Authority will co-manage the waiting lists with each PBV project.

### **SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]**

Applicants who will occupy units with PBV assistance must be selected from the PHA's PBV waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

### **Income Targeting [24 CFR 983.251(c) (6)]**

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely low-income families. The income-targeting requirement applies to the total of admissions to both programs.

### **Units with Accessibility Features [24 CFR 983.251(c) (7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

### **Preferences [24 CFR 983.251(d)]**

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with "excepted units" for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

### **PHA Policy**

The PHA will provide a selection preference when required by the regulation (e.g., eligible in place families, elderly families, or units with supportive services or mobility-impaired persons for accessible units). The following additional preferences have been established for the following projects, buildings, or sets of units:

### **Evergreen Vista Apartments II and I**

- Serving low-income families who qualify for one, two, and three bedroom apartments
- Set-aside units serving families who are homeless, or how have member with a disability, or who are victims of domestic violence

**Krislen Apartments**

- Serving individuals 62 and over or persons with developmental disabilities

**Homesfirst**

- Serving low-income individuals and families who are eligible for one, two, three, four, and five bedroom units
- Serving individuals with developmental disabilities who need intensive in-home supportive services

**Pear Blossom Place**

- Serving homeless families with children who may benefit from case managed services.
- Accessed through Thurston County's Coordinated Entry System

**Pear Street Apartments**

- Serving homeless adults aging out of the foster care program who may benefit from case managed services
- Accessed through Thurston County's Coordinated Entry System

**Drexel House Apartments**

- Serving single individuals who are homeless at the time of application and who may benefit from case managed services
- Accessed through Thurston County's Coordinated Entry System

**Drexel House Veteran's Housing**

- Serving single individuals who are chronically homeless at the time of application and who may benefit from case managed services
- Priority for honorably discharged veterans

Accessed through Thurston County's Coordinated Entry System

**Quixote Village**

- Serving single individuals who are chronically homeless at the time of application and who may benefit from case managed services
- Accessed through Thurston County's Coordinated Entry System

**Billy Frank Jr. Place**

- Studio, one, and two bedroom units for homeless individuals and families who may benefit for case managed services. Access by referral through any Thurston County Coordinated Entry provider.
- Priority preference for veteran households.
- Accessed through Thurston County's Coordinated Entry System

**Tumwater Cove**

- Serving persons with mental illness/disabilities who may benefit from case managed services
- By referral from Behavioral Health Resources **B and B Apartments**
- Serving individuals with mental illness/disabilities who may benefit from case management services o By referral from Behavioral Health Resources

#### **Tumwater Gardens**

- Serving homeless individuals with mental illness/disabilities who may benefit from case management services
- By referral from Behavioral Health Resources

#### **OFFER OF PBV ASSISTANCE**

##### **Refusal of Offer [24 CFR 983.251(e) (3)]**

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

##### **Disapproval by Landlord [24 CFR 983.251(e) (2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

##### **Acceptance of Offer [24 CFR 983.252]**

##### ***Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

##### ***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

##### ***Persons with Limited English Proficiency***

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2). 47 of 49

## **OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very-low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

### **Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

### **Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

#### PHA Policy

The owner must go to the project waiting list when vacancies occur. Within five business days of being accepted for tenancy, the Project manager/owner will fax information on the prospective tenant to the PHA and the PHA staff will send eligibility paperwork and an appointment letter to the prospective tenant. All efforts on project and PHA staff will be made to reduce the vacancy on a unit that is ready to rent.

The PHA will continue to refer potential applicants to the Projects to get on the various waiting lists.

amendment to the HAP contract will be effective the 1<sup>st</sup> day of the month following the date of the PHA's notice.

## **TENANT SCREENING [24 CFR 983.255]**

### **PHA Responsibility**

The PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

#### PHA Policy

The PHA will not conduct screening to determine a PBV applicant family's suitability for tenancy.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any previous landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and

criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

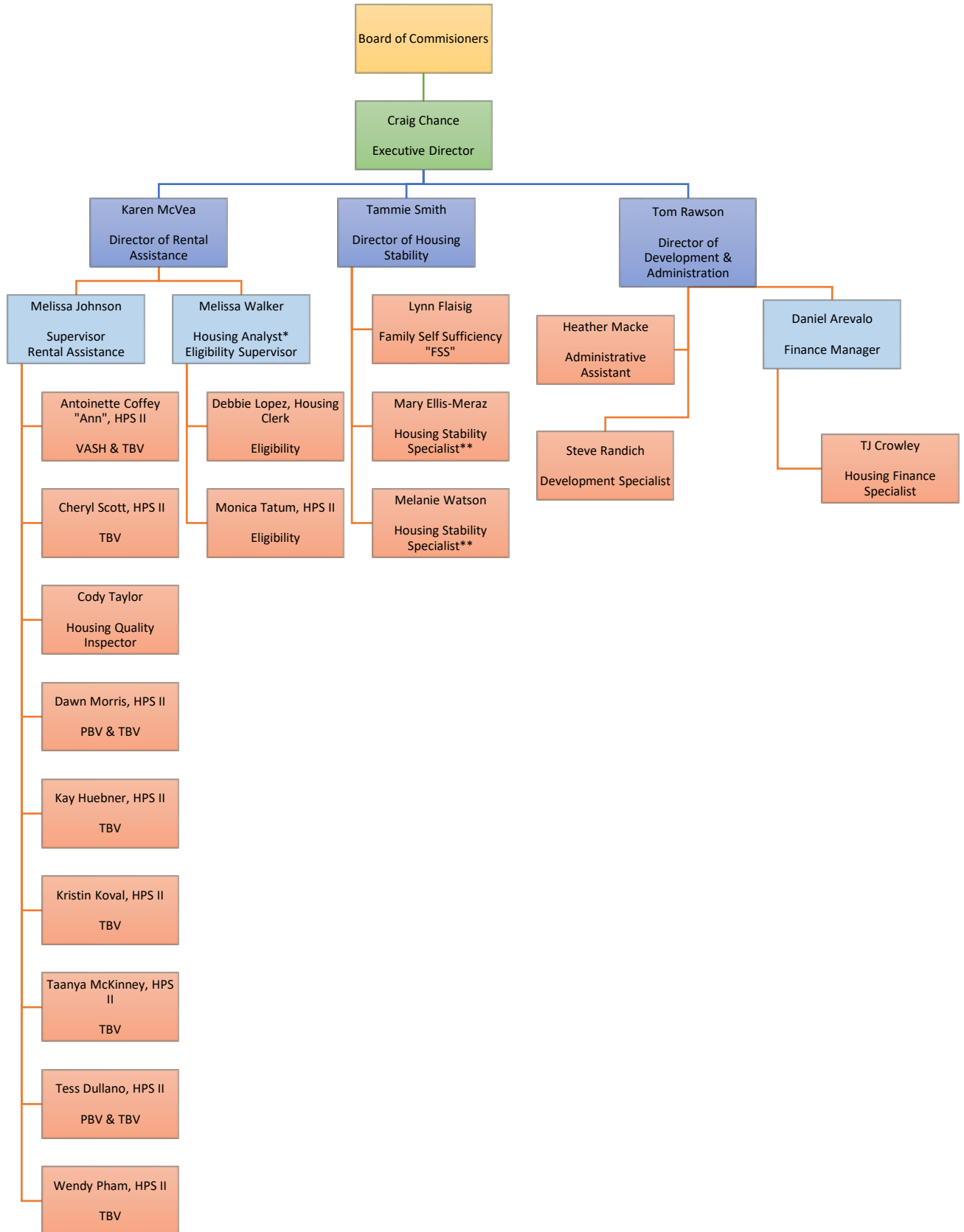
#### PHA Policy

This PHA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc. **Owner Responsibility**

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families, the owner may consider a family's background concerning the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

# Housing Authority of Thurston County Organization Chart



TBV = Tenant Based Vouchers

PBV = Project Based Vouchers

## **GRIEVANCE PROCEDURES, INFORMAL REVIEWS, AND HEARINGS**

### **OVERVIEW**

Both applicants and participants have the right to disagree with and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of PHA decisions is called the ‘informal review.’ For participants (or applicants denied admission because of citizenship issues), the appeal process is called an ‘informal hearing.’ PHAs are required to include informal review procedures for applicants, and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d) (12) and (13)].

### **INFORMAL REVIEWS**

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. [Federal Register 60, no. 127 (3 July 1995):4690]

#### **Decisions Subject to Informal Review**

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a) (2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.



### **Notice to the Applicant [24 CFR 982.554(a)]**

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

### **Scheduling an Informal Review**

A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance. The PHA has the right to deny a review if the request is received after this period has lapsed.

The PHA must schedule and send written notice of the informal review within 10 business days of the family's request.

If the informal review will be conducted remotely, at the time the PHA notifies the family of the informal review, the family will be informed:

- Regarding the processes to conduct a remote informal review;

- That, if needed, the PHA will provide technical assistance prior to and during the informal review; and

- That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal review, the family may inform the PHA and the PHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal review, as appropriate.

### **Informal Review Procedures [24 CFR 982.554(b)]**

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person. Typically, the informal review is conducted by a staff person with the rank of HPS III or a Program Manager or the Executive Director.

The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.

### **Remote Informal Reviews [Notice PIH 2020-32]**

There is no requirement that informal reviews be conducted in-person and, as such, HUD allows PHAs to conduct all or a portion of their informal review remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal reviews, applicants may still request an in-person informal review, as applicable.

#### PHA Policy

The PHA has the sole discretion to require that informal reviews be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal review remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal review, or if the applicant

believes an in-person informal review would create an undue health risk. The PHA will consider other reasonable requests for a remote informal review on a case-by-case basis.

### **Ensuring Accessibility for Persons with Disabilities and LEP Individuals**

As with in-person informal reviews, the platform for conducting remote informal reviews must be accessible to persons with disabilities and the informal review must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal review process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal review is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal review, and the PHA should consider whether postponing the remote informal review to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal reviews, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal reviews.

### **Conducting Remote Informal Reviews**

The PHA must ensure that the lack of technology or inability to use technology for remote informal reviews does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal review and, if the family does not have the proper technology to fully participate, either postpone the informal review or provide an alternative means of access.

As with in-person informal reviews, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal review. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA must ensure that the applicant has the right to hear and be heard. All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations at 24 CFR 982.554 and guidance specified in Notice PIH 2020-32.

### PHA Policy

The PHA will conduct remote informal reviews via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal review will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal review will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote review, the PHA will provide the family with login information and/or conferencing call-in information and an electronic and/or physical copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

If the informal review is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal review at least 24 hours before the scheduled review through the mail, via email, or text. The PHA will scan and email copies of these documents to the PHA representative the same day.

Documents will be shared electronically whenever possible.

The PHA will follow up the email with a phone call and/or email to the applicant at least one business day prior to the remote informal review to ensure that the applicant received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal review is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

### **Informal Review Decision [24 CFR 982.554(b)]**

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

### PHA Policy

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and their representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

### **INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]**

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

### **Decisions Subject to Informal Hearing**

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination that a project-based voucher or moderate rehabilitation program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA's subsidy standards, or the PHA determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

#### PHA Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations, and if the PHA denies a request for a reasonable accommodation

#### **Remote Informal Hearings [Notice PIH 2020-32]**

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal hearings, applicants may still request an in-person informal hearing, as applicable.

#### PHA Policy

The PHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have child care or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. The PHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

#### **Ensuring Accessibility for Persons with Disabilities and LEP Individuals**

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal hearing, and the PHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal hearings.

### **Conducting Informal Hearings Remotely**

The PHA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide an alternative means of access.

As with in-person informal hearings, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements, and will be in compliance with HUD regulations at 24 CFR 982.555 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

#### PHA Policy

The PHA will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, participants are unable to adequately access the video conferencing platform at any point, or upon request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote hearing, the PHA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

The PHA will follow up with a phone call and/or email to the family at least one business day prior to the remote informal hearing to ensure that the family received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

## **Informal Hearing Procedures**

### ***Notice to the Family [24 CFR 982.555(c)]***

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

### **PHA Policy**

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the PHA.

- A brief statement of the reasons for the decision, including the regulatory reference.

- The date the proposed action will take place.

- A statement of the family's right to an explanation of the basis for the PHA's decision.

- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

- A deadline for the family to request the informal hearing.

- To whom the hearing request should be addressed.

- A copy of the PHA's hearing procedures.

- That the family may request a remote informal hearing.

***Scheduling an Informal Hearing [24 CFR 982.555(d)]***

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

PHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

If the PHA hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

Regarding the processes involved in a remote informal hearing;

That the PHA will provide technical assistance prior to and during the informal hearing, if needed; and

That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform the PHA and the PHA will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities. If the family cannot show good cause for the failure to appear, or a rescheduling is not needed as a reasonable accommodation, the PHA's decision will stand.

***Pre-Hearing Right to Discovery [24 CFR 982.555(e)]***

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page (the first 5 pages are free) to the family. The family must request discovery of PHA documents no later than 5:00 p.m.. three business day prior to the scheduled hearing date a



later date is agreed upon by both PHA and participant.. (The PHA will not charge for copies of documents already being copied to present at the Hearing.)

If the hearing will be conducted remotely, the PHA will compile a hearing packet, consisting of all documents the PHA intends to produce at the informal hearing. The PHA will mail or email copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of the PHA representative and retained by the PHA.

Documents will be shared electronically whenever possible.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

#### PHA Policy

For in-person hearings, the PHA will require pre-hearing discovery by the PHA of family documents directly relevant to the hearing by no later than 5:00 p.m. three business days prior to the scheduled hearing date unless a later date is agreed upon by both PHA and participant.

If the informal hearing is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal hearing by no later than 5 p.m. three business days prior to the scheduled hearing (unless a later date is agreed upon by both PHA and participant) through the mail, via email, or text. The PHA will scan and email copies of these documents to the hearing officer and the PHA representative the same day.

Documents will be shared electronically whenever possible.

#### ***Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]***

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

#### ***Informal Hearing Officer [24 CFR 982.555(e)(4)]***

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

#### ***Attendance at the Informal Hearing***

##### PHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A PHA representative(s) and any witnesses for the PHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

### ***Conduct at Hearings***

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

#### PHA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

### ***Evidence [24 CFR 982.555(e)(5)]***

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

#### PHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence:** the testimony of witnesses

**Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence based not on a witness' personal knowledge. In and of itself, hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Even though hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence, and the party seeking the change has met the burden of proof.

If either the PHA (or the family, if required in a remote hearing) fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

### ***Procedures for Rehearing or Further Hearing***

#### PHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

**Hearing Officer's Decision [24 CFR 982.555(e)(6)]**

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

PHA Policy

In rendering a decision, the hearing officer will consider the following matters:

**PHA Notice to the Family:** The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.

**Discovery:** The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.

**PHA Evidence to Support the PHA Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

**Validity of Grounds for Termination of Assistance (when applicable):** The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

**Hearing information:**

Name of the participant;

Date, time and place of the hearing;

Name of the hearing officer;

Name of the PHA representative; and

Name of family representative (if any).

**Background:** A brief, impartial statement of the reason for the hearing.

**Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of their testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

**Order:** The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.

***Issuance of Decision [24 CFR 982.555(e)(6)]***

A copy of the hearing must be furnished promptly to the family.

PHA Policy

The hearing officer will mail a "Notice of Hearing Decision" to the PHA and to the participant on the same day. This notice will be sent by first-class mail. The participant will be mailed the original "Notice of Hearing Decision" and a copy of the proof of mailing. A copy of the "Notice of Hearing Decision" will be maintained in the PHA's file.

***Effect of Final Decision [24 CFR 982.555(f)]***

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

PHA Policy

The Executive Director has the authority to determine that the PHA is not bound by the decision of the hearing officer because the PHA was not required to provide a hearing, the decision exceeded the authority of the hearing officer, the decision conflicted with or contradicted HUD regulations, requirements, or the decision was otherwise contrary to federal, state, or local laws.

In such a case, the PHA will mail a "Notice of Final Decision" to the PHA and the participant on the same day. The "Notice of Final Decision" will be sent by first-class mail. A copy of this notice will be maintained in the PHA's file.

**HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]**

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

**Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

**USCIS Appeal Process [24 CFR 5.514(e)]**

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

**PHA Policy**

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS,

and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

PHA Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

**Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

***Informal Hearing Officer***

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

***Evidence***

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page (the first 5 pages are free). The family must request discovery of PHA documents no later than

12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

***Representation and Interpretive Services***

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. Upon request, the PHA will provide competent interpretation services, free of charge.

### ***Recording of the Hearing***

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

#### **PHA Policy**

The PHA will not provide a transcript of an audio taped hearing.

### ***Hearing Decision***

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

### **Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

### **Retention of Documents [24 CFR 5.514(h)]**

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

## INFORMAL REVIEWS AND HEARINGS

### OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of PHA decisions is called the “informal review.” For participants (or applicants denied admission because of citizenship issues), the appeal process is called an “informal hearing.” PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

### INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements [*Federal Register* 60, no. 127 (3 July 1995): 34690].

#### Decisions Subject to Informal Review [24 CFR 982.554(a) and (c)]

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension of a voucher term
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition



#### PHA Policy

The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

#### **Notice to the Applicant [24 CFR 982.554(a)]**

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

#### **Scheduling an Informal Review**

##### PHA Policy

A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance.

The PHA must schedule and send written notice of the informal review within 10 business days of the family's request.

If the informal review will be conducted remotely, at the time the PHA notifies the family of the informal review, the family will be informed:

Regarding the processes to conduct a remote informal review;

That, if needed, the PHA will provide technical assistance prior to and during the informal review; and

That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal review, the family may inform the PHA and the PHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal review, as appropriate.

#### **Informal Review Procedures [24 CFR 982.554(b)]**

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.

#### **Remote Informal Reviews [Notice PIH 2020-32]**

There is no requirement that informal reviews be conducted in-person and, as such, HUD allows PHAs to conduct all or a portion of their informal review remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal reviews, applicants may still request an in-person informal review, as applicable.

### PHA Policy

The PHA has the sole discretion to require that informal reviews be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal review remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal review, or if the applicant believes an in-person informal review would create an undue health risk. The PHA will consider other reasonable requests for a remote informal review on a case-by-case basis.

### **Ensuring Accessibility for Persons with Disabilities and LEP Individuals**

As with in-person informal reviews, the platform for conducting remote informal reviews must be accessible to persons with disabilities and the informal review must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal review process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal review is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal review, and the PHA should consider whether postponing the remote informal review to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal reviews, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal reviews.

### **Conducting Remote Informal Reviews**

The PHA must ensure that the lack of technology or inability to use technology for remote informal reviews does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal review and, if the family does not have the proper technology to fully participate, either postpone the informal review or provide an alternative means of access.

As with in-person informal reviews, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal review. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA must ensure that the applicant has the right to hear and be heard. All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations at 24 CFR 982.554 and guidance specified in Notice PIH 2020-32.

#### PHA Policy

The PHA will conduct remote informal reviews via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal review will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal review will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote review, the PHA will provide the family with login information and/or conferencing call-in information and an electronic and/or physical copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the informal review and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person informal review.

If the informal review is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal review at least 24 hours before the scheduled review through the mail, via email, or text. The PHA will scan and email copies of these documents to the PHA representative the same day.

Documents will be shared electronically whenever possible.

The PHA will follow up the email with a phone call and/or email to the applicant at least one business day prior to the remote informal review to ensure that the applicant received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal review is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

### **Informal Review Decision [24 CFR 982.554(b)]**

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

#### PHA Policy

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and their representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

### **Informal Hearings For Participants [24 CFR 982.555]**

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

#### **Decisions Subject to Informal Hearing**

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

#### PHA Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations, and if the PHA denies a request for a reasonable accommodation (see Chapter 2).

### **Remote Informal Hearings [Notice PIH 2020-32]**

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal hearings, applicants may still request an in-person informal hearing, as applicable.

#### PHA Policy

The PHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the PHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability, if a participant does not have child care or transportation that would enable them to attend the informal hearing, or if the participant

believes an in-person hearing would create an undue health risk. The PHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

### **Ensuring Accessibility for Persons with Disabilities and LEP Individuals**

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal hearing process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal hearing, and the PHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal hearings.

### **Conducting Informal Hearings Remotely**

The PHA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide an alternative means of access.

As with in-person informal hearings, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements, and will be in compliance with HUD regulations at 24 CFR 982.555 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

### PHA Policy

The PHA will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, participants are unable to adequately access the video conferencing platform at any point, or upon request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote hearing, the PHA will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify the PHA of any known barriers. The PHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

The PHA will follow up with a phone call and/or email to the family at least one business day prior to the remote informal hearing to ensure that the family received all information and is comfortable accessing the video conferencing or call-in platform.

The PHA will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

### **Informal Hearing Procedures**

#### ***Notice to the Family [24 CFR 982.555(c)]***

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

### PHA Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the PHA.

- A brief statement of the reasons for the decision, including the regulatory reference.

- The date the proposed action will take place.

- A statement of the family's right to an explanation of the basis for the PHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the PHA's hearing procedures.

That the family may request a remote informal hearing.

***Scheduling an Informal Hearing [24 CFR 982.555(d)]***

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

PHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

If the PHA hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

Regarding the processes involved in a remote informal hearing;

That the PHA will provide technical assistance prior to and during the informal hearing, if needed; and

That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform the PHA and the PHA will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities. If the family cannot show good cause for the failure to appear, or a rescheduling is not needed as a reasonable accommodation, the PHA's decision will stand.



***Pre-Hearing Right to Discovery [24 CFR 982.555(e)]***

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

PHA Policy

The family will be allowed to copy any documents related to the hearing at at a cost no charge. The family must request discovery of PHA documents no later than 5:00 p.m. three business day prior to the scheduled hearing date unless a later date is agreed upon by both PHA and participant.

If the hearing will be conducted remotely, the PHA will compile a hearing packet, consisting of all documents the PHA intends to produce at the informal hearing. The PHA will mail or email copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of the PHA representative and retained by the PHA.

Documents will be shared electronically whenever possible.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

PHA Policy

For in-person hearings, the PHA will require pre-hearing discovery by the PHA of family documents directly relevant to the hearing by no later than 5:00 p.m. three business days prior to the scheduled hearing date unless a later date is agreed upon by both PHA and participant.

If the informal hearing is to be conducted remotely, the PHA will require the family to provide any documents directly relevant to the informal hearing by no later than 5 p.m. three business days prior to the scheduled hearing (unless a later date is agreed upon by both PHA and participant) through the mail, via email, or text. The PHA will scan and email copies of these documents to the hearing officer and the PHA representative the same day.

Documents will be shared electronically whenever possible.

***Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]***

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

***Informal Hearing Officer [24 CFR 982.555(e)(4)]***

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

### ***Attendance at the Informal Hearing***

#### PHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A PHA representative(s) and any witnesses for the PHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

### ***Conduct at Hearings***

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

#### PHA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

### ***Evidence [24 CFR 982.555(e)(5)]***

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

#### PHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence:** the testimony of witnesses

**Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence based not on a witness' personal knowledge. In and of itself, hearsay evidence carries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Even though hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence, and the party seeking the change has met the burden of proof.

If either the PHA (or the family, if required in a remote hearing) fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

### ***Procedures for Rehearing or Further Hearing***

#### PHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

### ***Hearing Officer's Decision [24 CFR 982.555(e)(6)]***

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

#### PHA Policy

In rendering a decision, the hearing officer will consider the following matters:

**PHA Notice to the Family:** The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.

**Discovery:** The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.

**PHA Evidence to Support the PHA Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

**Validity of Grounds for Termination of Assistance (when applicable):** The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

#### **Hearing information:**

- Name of the participant;
- Date, time and place of the hearing;
- Name of the hearing officer;
- Name of the PHA representative; and
- Name of family representative (if any).

**Background:** A brief, impartial statement of the reason for the hearing.

**Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of their testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

**Order:** The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.

#### ***Issuance of Decision [24 CFR 982.555(e)(6)]***

A copy of the hearing must be furnished promptly to the family.

##### PHA Policy

The hearing officer will mail a "Notice of Hearing Decision" to the PHA and to the participant on the same day. This notice will be sent by first-class mail. The participant will be mailed the original "Notice of Hearing Decision" and a copy of the proof of mailing. A copy of the "Notice of Hearing Decision" will be maintained in the PHA's file.

#### ***Effect of Final Decision [24 CFR 982.555(f)]***

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

##### PHA Policy

The Executive Director has the authority to determine that the PHA is not bound by the decision of the hearing officer because the PHA was not required to provide a hearing, the decision exceeded the authority of the hearing officer, the decision conflicted with or contradicted HUD regulations, requirements, or the decision was otherwise contrary to federal, state, or local laws.

In such a case, the PHA will mail a "Notice of Final Decision" to the PHA and the participant on the same day. The "Notice of Final Decision" will be sent by first-class mail. A copy of this notice will be maintained in the PHA's file.

#### **16-III.D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]**

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

##### **Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

##### **USCIS Appeal Process [24 CFR 5.514(e)]**

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

##### PHA Policy

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification

request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

#### PHA Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

#### **Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

#### ***Informal Hearing Officer***

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

#### ***Evidence***

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

#### PHA Policy

The family will be allowed to copy any documents related to the hearing no charge. The family must request discovery of PHA documents no later than 5:00 p.m. on three business day prior to the hearing or a later date if agreed upon by both parties.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

#### ***Representation and Interpretive Services***

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. Upon request, the PHA will provide competent interpretation services, free of charge.

### ***Recording of the Hearing***

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

#### **PHA Policy**

The PHA will not provide a transcript of an audio taped hearing.

### ***Hearing Decision***

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

### **Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

### **Retention of Documents [24 CFR 5.514(h)]**

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

## **HOUSING AUTHORITY OF THURSTON COUNTY (HATC) FAMILY SELF-SUFFICIENCY (FSS)**

The HATC's FSS Program will follow the published guidelines for the US Department of Housing and Urban Development Housing Choice Voucher Family Self-Sufficiency Program.

### ***Estimate of Participating Families***

Historically, HATC's FSS program has enrolled approximately 20-30 new families into the FSS program each year. Accordingly, HATC expects to be able to provide FSS services to 190 families over a five-year period. The FSS Program at HATC is a voluntary FSS Program and has no minimum program size requirement.

### ***Family Selection Procedures***

Interested voucher holders will be required to complete the FSS Application. A waitlist will be kept by date and time the application was received by HATC.

### ***Admission Preferences***

The HATC will provide a preference for those who are served under the Emergency Housing Voucher Program and the HATS Transitional Housing Program. The maximum number of FSS slots with a selection preference is limited to 50% of the total number of FSS slots. Families with the applicable preference will be moved to the top of the waitlist and selected from the waitlist by the date and time of application.

### ***Outreach***

The HATC will conduct widespread outreach to encourage enrollment in the FSS program. Outreach efforts will include the activities identified below. Interpreters will be used as needed and clients may contact staff to express interest in person, via our toll-free telephone number or by email.

### ***Coordination of Services***

Development of the services and activities under the FSS program has been coordinated with programs under title I of the Workforce Innovation and Opportunity Act 29 U. S.C. 3111 et seq., and other relevant employment, child care, transportation, training, education, and financial empowerment programs in the area. Implementation will continue to be coordinated, in order to avoid duplication of services and activities.

### ***Program Coordinating Committee***

The principal vehicle for ensuring ongoing coordination of services is the program coordinating committee (PCC). The HATC uses the Local Planning Area (LPA) Committee as its PCC for the FSS Program. The LPA consists of all the required members of the PCC and assists in securing commitments of public and private resources for the operation of the FSS Program. Among other responsibilities, the PCC will help the FSS program identify and build strong referral relationships with providers of supportive services that meet the needs of FSS participants. The committee is also consulted in developing program policies and procedures.



### ***Identifying Family Support Needs***

To help determine the supportive services needs of each family, the FSS Coordinator will work with the family to review their initial needs assessment from the application before completion of the initial Individual Training Service Plan (ITSP) and the signing of the contract of participation. After enrollment in the FSS program, the FSS coordinator may make referrals to partner agencies for the completion of additional and more formal needs assessments. These assessments may focus on such issues as: employment readiness and employment training needs, educational needs related to secondary and post-secondary education, financial health, and other topics, depending on the needs and interests of the family.

### ***Delivering Appropriate Support Services***

All families who participate in the FSS program will be assigned an FSS coordinator who will provide coaching services to help each participating family to:

- Understand the benefits of participating in the FSS program and how the program can help the family achieve its goals.
- Identify achievable, but challenging interim and final goals for participation in the FSS program, break down the goals into achievable steps and accompany the family through the process.
- Identify existing family strengths and skills.
- Understand the needs that the family has for services and supports that may help the family make progress toward their goals.
- Access services available in the community through referral to appropriate service providers.
- Overcome obstacles in the way of achieving a family's goals.

### ***Contract of Participation (CoP)***

All families enrolled in the FSS program will be required to sign a CoP that includes an Individual Training and Services plan (ITSP). The CoP, which will incorporate one ITSP for each participating member of the family, sets forth the principal terms and conditions governing participation in the FSS program. These include the rights and responsibilities of the FSS family and the HATC, the services to be provided to, and the activities to be completed by, each adult member of the FSS family who elects to participate in the program.

### ***ITSP Goals***

Each individual's ITSP will establish specific interim and final goals by which the HATC and the family will measure the family's progress towards fulfilling its obligations under the CoP. For any FSS family that is a recipient of welfare assistance at the outset of the CoP or that receives welfare assistance while in the FSS program the HATC will establish a final goal that every member of the family become independent from welfare assistance before the expiration of the CoP. The ITSP of the head of the FSS family will also include as a final goal that they seek and maintain suitable employment. The FSS coordinator will work with each participating individual to identify additional ITSP goals that are relevant, feasible and desirable. Any such additional goals will be realistic and individualized.

***Contract of participation Term and Extensions***

The CoP will go into effect on the first day of the month following the execution of the CoP. The initial term of the CoP will run the effective date through the five-year anniversary of the first reexamination of income that follows the execution date. Families may request up to two one-year extensions and are required to submit a written request that documents the need for the extension. The HATC will grant the extension if it finds that good cause exists to do so.

***Completion of the Contract***

The CoP is completed, and a family's participation in the FSS program is concluded when the FSS family has fulfilled all its obligations under the CoP, including all family members' ITSPs, on or before the expiration of the contract term. The family must provide appropriate documentation that each of the ITSP goals has been completed.

***FSS Portability***

FSS participants are required twelve (12) months of participation before a port will be honored. If the participant's goal will be accomplished by porting but has not completed the full twelve (12) months a written request may be submitted for review. These requests will be approved on a case-by-case basis.



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements and Federal Single Audit Report**

# **Housing Authority of Thurston County**

**For the period July 1, 2021 through June 30, 2022**

*Published March 30, 2023*

Report No. 1032331



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**Office of the Washington State Auditor  
Pat McCarthy**

March 30, 2023

Board of Directors  
Housing Authority of Thurston County  
Olympia, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the Housing Authority of Thurston County's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Housing Authority's financial condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Housing Authority of Thurston County July 1, 2021 through June 30, 2022

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Housing Authority of Thurston County are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

#### Federal Awards

##### Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Housing Authority’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

The following program was selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
14.871	Housing Voucher Cluster – Section 8 Housing Choice Vouchers
14.871	Housing Voucher Cluster – COVID-19 – Section 8 Housing Choice Vouchers
14.879	Housing Voucher Cluster – Mainstream Vouchers

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Housing Authority qualified as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## INDEPENDENT AUDITOR'S REPORT

### 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*

#### **Housing Authority of Thurston County July 1, 2021 through June 30, 2022**

Board of Directors  
Housing Authority of Thurston County  
Olympia, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Thurston County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated March 27, 2023.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Housing Authority'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 Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority'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 above 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.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.


## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **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 Housing Authority'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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 27, 2023

## INDEPENDENT AUDITOR'S REPORT

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

#### **Housing Authority of Thurston County July 1, 2021 through June 30, 2022**

Board of Directors  
Housing Authority of Thurston County  
Olympia, Washington

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

#### **Opinion on Each Major Federal Program**

We have audited the compliance of the Housing Authority of Thurston County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2022. The Housing Authority's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis

for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Housing Authority's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

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

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 judgement made by a reasonable user of the report on compliance about the Housing Authority's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- 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 Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed; and

- 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 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 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. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

### Purpose of this Report

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 27, 2023

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Housing Authority of Thurston County July 1, 2021 through June 30, 2022**

Board of Directors  
Housing Authority of Thurston County  
Olympia, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying financial statements of the Housing Authority of Thurston County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Thurston County, as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- 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 Housing Authority's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report 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 that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying Financial Data Schedule form is supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 on our consideration of the Housing Authority's internal control over financial



reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 27, 2023

## **FINANCIAL SECTION**

### **Housing Authority of Thurston County July 1, 2021 through June 30, 2022**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2022

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2022

Statement of Revenues, Expenses and Changes in Net Position – 2022

Statement of Cash Flows – 2022

Notes to Financial Statements – 2022

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2022

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2022

Schedule of Changes in Total OPEB Liability and Related Ratios – 2022

Notes to the Required Supplementary Information – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Expenditures of Federal Awards – 2022

Notes to the Schedule of Expenditures of Federal Awards – 2022

Financial Data Schedule – 2022

# **HOUSING AUTHORITY OF THURSTON COUNTY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2022

As management of the Housing Authority of Thurston County ("Housing Authority"), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements and notes to financial statements.

### **Overview of the Housing Authority of Thurston County**

The Housing Authority's mission is to provide decent, safe, and affordable housing and services to persons with disabilities, low income and at-risk individuals and families in Thurston County. The Housing Authority's goal is to assist individuals and families to secure or maintain long-term permanent housing. To this end, our programs and developments goals are to increase affordable housing opportunities by creating or preserving efforts which preserve residential areas by acquiring and developing properties in the community that are affordable for the community.

The Housing Authority carries out its goals through the administration of Federal tenant-based rental voucher programs and project based rental subsidies for nine non-profit providers of supportive housing; the direct ownership of housing units; and case management services to help people attain housing stability.

Management estimates that the Housing Authority assists about 5,000 people, with about 4,000 through rent subsidies and 1,000 through Housing Authority properties that offer substantially below-market rate rents. Approximately 70% of the households receiving a rent subsidy are elderly and/or disabled.

The largest Federal program the Authority administers is the Section 8 Housing Choice Voucher (HCV) program. The program does not fund HCV at a level sufficient to support all income eligible households; funding also does not reflect the increase in market rents. With funding relatively flat, the rising rents require increasingly large subsidies for each household on the program. The end result is that fewer households receive subsidy.

To absorb the funding inconsistency, the Authority has diversified its resources to absorb minor short falls, to maintain high levels of client and landlord service, and to create additional affordable housing.

The Authority's approach to diversifying its resources has been to develop locally financed projects to bring added capacity to serve the community. Since early 1990's, the Authority has acquired existing or built new housing developments utilizing a combination of local, State, and Federal funds to augment traditional financing. This approach enables the Authority to price units to not only assist the participants of the HCV program but also helps those households living below the area median income levels to find more affordable units. The Authority's model evolved to a level where the Authority can develop units with meaningful independence from the uncertainly and restrictive nature of many governmental housing finance programs

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

**Financial Highlights**

- On June 30, 2022, the Housing Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by \$22.4 million. Of this amount, 3.1 million (unrestricted net position) may be used to meet the Housing Authority's ongoing obligations to citizens and creditors.
- The Housing Authority's cash and cash equivalents balances decreased from the previous year by \$194,451 and totaled \$5,914,312 at the end of the fiscal year.
- Net capital assets increased in 2022 by \$3.6 million. In December of 2021, the Housing Authority purchased four additional four-plexes at the Creekwood development in Olympia, WA for \$2.7 million and land adjacent to Sequoia Landing in Tumwater, WA for \$0.9 million. Construction in progress decreased in 2022 by \$1.3 million to a balance of \$1.1 million as of June 30, 2022. The decrease is due to the completion of Olympia Crest I siding and renovations for \$2.0 million. The balance in construction in progress is the construction of 28 new units known as the Olympia Crest apartment phase III project.
- Other noncurrent assets increased from June 30, 2021 to June 30, 2022 by \$1.6 million primarily from the inclusion of a \$1.5 million net pension asset related to the authority's participation in the PERS 2 and 3 state pension plans.
- Total operating revenues for the year ended June 30, 2022 of \$26.6 million increased from the prior year by \$1.5 million. Total operating expenses for the year of \$24.6 million resulted in an increase of \$1.8 million compared to the prior year. The increase in operating revenues are primarily due to administrative and Housing Assistance Payment revenue, increase in tenant revenue, increase in expenses are primarily due to higher property operating costs. The change in net position for the year ended June 30, 2022 is \$1,624,969; a decrease of \$333,839 from the prior year.
- In June of 2022, the Housing Authority entered into an agreement with contractor to start construction of Olympia Crest Phase III project in the amount of \$7.1 million.

# HOUSING AUTHORITY OF THURSTON COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

### Overview of the Financial Statements

The Authority's Financial Statements consist of two parts – Management's Discussion and Analysis (this section) and the Financial Statements. The Financial Statements include the government-wide Financial Statements and Notes to the Financial Statements. The Authority is a stand-alone governmental entity engaged only in business type activities.

The Financial Statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. The Financial Statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies.

- Statement of Net Position -- reports the Authority's current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, current liabilities, long-term debt obligations, deferred inflows of resources and net position are broken into the following three category.
  - **Net investment in capital assets** consist of all capital assets, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets
  - **Restricted** consists of restricted assets when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, or regulations.
  - **Unrestricted** consists of unrestricted assets that do not meet the definition of net investment in capital assets.
- Statement of Revenues, Expenses, and Changes in Net Position -- reports the Authority's operating and non-operating revenues by major source, along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows -- reports the Housing Authority's cash flows from operating, investing, and capital and non-capital financing activities.
- Finally, the Notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the Financial Statements.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

**Financial Analysis of the Housing Authority**

The following table summarizes net assets at June 30, 2022 and 2021:

**CONDENSED STATEMENT OF NET POSITION**

<b>Assets</b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>Change</u></b>
Current Assets	\$ 7,295,667	\$ 7,958,850	(663,183)
Capital Assets- net	32,676,163	29,098,693	3,577,470
Other noncurrent assets	<u>2,637,618</u>	<u>1,070,956</u>	<u>1,566,662</u>
Total Assets	<u>\$ 42,609,448</u>	<u>\$ 38,128,499</u>	<u>\$ 4,480,949</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 306,682</u>	<u>\$ 360,499</u>	<u>\$ (53,817)</u>
<b>Current Liabilities</b>			
Current Liabilities	\$ 3,636,619	\$ 3,093,588	\$ 543,031
Non-current liabilities	<u>15,292,684</u>	<u>14,439,251</u>	<u>853,433</u>
Total Liabilities	<u>\$ 18,929,303</u>	<u>\$ 17,532,839</u>	<u>\$ 1,396,464</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 1,599,973</u>	<u>\$ 194,000</u>	<u>\$ 1,405,973</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	\$ 17,769,275	\$ 16,338,045	\$ 1,431,230
Restricted net position	1,993,126	76,831	1,916,295
Unrestricted	<u>2,624,453</u>	<u>4,347,282</u>	<u>(1,722,829)</u>
Total net position	<u>\$ 22,386,854</u>	<u>\$ 20,762,158</u>	<u>\$ 1,624,696</u>

The Housing Authority's 2022 current assets exceed current liabilities by \$3.6 million, for a current ratio of 2.0. The current ratio is a measure of the ability to pay debts as they become due.

The Housing Authority has \$1,037,218 in cash that is restricted for tenant security deposits, client escrow deposits, and Down Payment Assistance revolving loan fund.

Capital assets, before depreciation, increased by \$4,436,478 due to projects associated with the Olympia Crest Phase I siding and renovations, 16 units at Creekwood acquisition and purchase of land adjacent to Sequoia Landing.

Deferred outflows of resources of \$306,682, deferred inflows of resources of \$1,599,973, net pension asset of 1,543,451 and a net pension liability of \$147,391 are directly related to the reporting for pensions. For details of these balances see Note 10 - State Sponsored Pension Plans.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

The following table summarizes changes in net position for the year ended June 30, 2022 and 2021:

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

<b><u>Revenues:</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>Change</u></b>
Operating Revenue- Tenant rental revenue	\$ 5,557,995	\$ 5,290,623	\$ 267,371
Operating revenue- other	893	5,191	(4,298)
Operating grants- federal	20,960,928	19,797,890	1,163,039
Operating grants- state and local		<u>0</u>	<u>92,000</u>
	<u>92,000</u>		
Total Operating Revenues	<u>26,611,816</u>	<u>25,093,704</u>	<u>1,518,112</u>
Non-operating misc. income	74,172	51,076	23,096
Investment income	<u>42,126</u>	<u>47,149</u>	<u>(5,023)</u>
Total Non-operating Revenues	<u>116,298</u>	<u>98,225</u>	<u>18,073</u>
Total Revenues	<u>26,728,114</u>	<u>25,191,929</u>	<u>1,536,185</u>
<b><u>Expenses:</u></b>			
Housing assistance payments	18,656,650	16,972,018	1,684,632
Salaries	1,909,207	1,860,638	48,568
Employee benefits & taxes	(59,713)	451,704	(511,417)
Maintenance and operations	2,441,949	2,109,800	332,149
Other operating expenses	755,921	544,151	211,770
Depreciation	<u>859,008</u>	<u>836,685</u>	<u>22,324</u>
Total Operating Expenses	<u>24,563,022</u>	<u>22,774,996</u>	<u>1,788,026</u>
Interest Expense	<u>540,396</u>	<u>458,398</u>	<u>81,998</u>
Total Non-operating Expenses	<u>540,396</u>	<u>458,398</u>	<u>81,998</u>
Total expenses	<u>25,103,418</u>	<u>23,233,394</u>	<u>1,870,024</u>
Change in net position	<u>1,624,696</u>	<u>1,958,535</u>	<u>(333,839)</u>
<b>Net position, beginning of year</b>	<u>20,762,158</u>	<u>18,803,623</u>	<u>1,958,535</u>
<b>Net position, end of year</b>	<u>\$ 22,386,854</u>	<u>\$ 20,762,158</u>	<u>\$ 1,624,696</u>

The Housing Authority's operating revenues increased \$1,518,112 or 6.05% from the prior year, while operating expenses increased \$1,788,026 or 7.85% resulting in a decrease in net operating income of \$269,914 or 11.64%. As detailed below, nearly the all of the increase in expenses is due to increased rental subsidy payments to support vulnerable families and to operational expenses due to staff changes.

Revenues are derived from various sources with approximately 78.4% received either directly from the U.S. Department of Housing and Urban Development (HUD) or indirectly through the state and local governments

# HOUSING AUTHORITY OF THURSTON COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

from HUD and other Federal agencies, .34 % received from state and local agencies, 20.8% generated from rental of Housing Authority-owned properties, and 0.44% from other sources.

The Housing Authority's most significant expenses are salaries, employee benefits and taxes, housing assistance payments, and maintenance and operations.

Salaries expense increased to 7.17% of operating revenue for the year ended June 30, 2022, which is an increase of 2.61% from the prior year. The Housing Authority provided a COLA of 3% on July 01, 2021 due to COVID recovery and not providing a COLA in 2020. Employee benefits and taxes, representing -.22% of operating revenues for the year ended June 30, 2022, is primarily due to the adjustment to Other Post-Employment Benefits (OPEB) liability in accordance with GASB 75 and net pension assets in accordance with GASB 68.

Housing assistance payments, representing 70.11% of operating revenues, increased 9.93% from the prior year primarily due to an increase in the average cost of unit months leased in the Housing Choice Voucher program (HCV) and additional units leased. The HCV program is on a calendar year end. The second half of the 2021 contract and the first half of the 2022 contract are included in the Housing Authority's fiscal year end June 30, 2022. The Housing Authority is given a budget authority by the Federal government with a ceiling on both dollars and unit months leased in the contract year. In order to maximize the number of clients assisted within the budget limits, participation is monitored and projected on a monthly basis for the contract year. If the projections indicate less than 100% utilization, clients are added from the wait list. The Housing Authority did receive 68 additional vouchers in a new program HUD established called Emergency Housing Voucher. The program official start date is July 2021.

### Capital asset and debt administration

#### *Capital assets*

Detailed information regarding the Housing Authority's capital assets may be found in Note 4 to the financial statements. The following table summarizes the changes in capital assets between fiscal years 2020 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Net Change</u>
Land	\$ 8,456,563	\$ 6,980,328	\$ 1,476,235
Buildings and improvements	34,979,285	30,695,577	4,283,708
Equipment	1,065,089	1,041,240	23,849
Construction in progress	<u>1,054,296</u>	<u>2,401,610</u>	<u>(1,347,314)</u>
Totals	45,555,233	41,118,755	4,436,478
Accumulated Depreciation	<u>(12,879,070)</u>	<u>(12,020,062)</u>	<u>(859,008)</u>
Capital assets, net	<u>\$ 32,676,163</u>	<u>\$ 29,098,693</u>	<u>\$ 3,577,470</u>

Construction-in-progress represents expenditures as of June 30, 2022. The new development adjacent to Olympia Crest Apartments (Phase 1 and 2) in Olympia, Washington known as Olympia Crest phase 3 will have 28 units and represents the full amount of \$1,054,296. The decrease in construction in progress is due to the completion of the Olympia Crest Phase I siding and renovations project transferred to Buildings and improvements for a total of \$2.0 million.



# HOUSING AUTHORITY OF THURSTON COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

The Housing Authority has a preventative maintenance program to preserve the value and extend the life of its housing assets. The Housing Authority also invested \$511,691 in repairs, maintenance, and minor capital replacements for all of the HATC properties in FYE 2022. The Housing Authority sets aside cash in capital replacement reserves for future expenditures. There is no reliance on grants or government programs for maintenance or capital improvements.

### ***Long-term Debt***

The Housing Authority typically issues various types of debt obligations, including installment notes, deferred notes and tax-exempt revenue bonds to finance the acquisition and construction of assets. The Housing Authority is solely responsible for its debt obligations; the debts are **not** obligations of the County of Thurston, State of Washington or any other entity. Detailed information regarding the Housing Authority's outstanding long-term debt may be found in Note 9 to the financial statements. At June 30, 2022 the Housing Authority had net long-term debt outstanding in the amount of \$11.5 million.

In October, 2003, the Housing Authority entered into a contract with the Washington State Department of Community Trade and Economic Development (DCTED) (now known as Department of Commerce) to administer a revolving fund. As of June 30, 2022, the Housing Authority has assisted 51 families with their first-time home purchases and the balance at year end is \$1,459,800. Detailed information regarding the Housing Authority's outstanding long-term liability may be found in Note 7 to the financial statements.

### **Contacting the Housing Authority's Financial Management**

The financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. Questions concerning any of the information should be addressed to the Executive Director of the Housing Authority of Thurston County. The Housing Authority's offices are located at 1206 12<sup>th</sup> Avenue SE, Olympia, Washington 98501 mailing address is PO Box 1638 Olympia WA 98507-1638. The telephone number is (360) 753-8292.

**HOUSING AUTHORITY OF THURSTON COUNTY****STATEMENT OF NET POSITION**

June 30, 2022

**ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$	5,914,312
Accounts receivable		294,014
Mortgage receivable - current portion		2,556
Restricted cash and cash equivalents		1,037,218
Other current assets		47,567
Total current assets		<u>7,295,667</u>

**NONCURRENT ASSETS:**

Capital assets		
Land		8,456,563
Construction in progress		1,054,296
Depreciable assets		
Building and improvements		34,979,285
Equipment		1,065,089
Less accumulated depreciation		<u>(12,879,070)</u>
Total capital assets-net		32,676,163
Net Pension Asset		1,543,451
Mortgage receivable		1,094,167
Total noncurrent assets		<u>35,313,781</u>
Total assets	\$	<u>42,609,448</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions	\$	<u>306,682</u>
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**LIABILITIES****CURRENT LIABILITIES:**

Accounts payable	\$	302,700
Accrued compensated absences		234,709
Line of Credit		1,500,000
Current portion of total OPEB liability		28,500
Current portion of long-term debt		882,953
Payable from restricted assets:		
Tenant security deposits		293,871
Escrow deposits payable		393,886
Total current liabilities		<u>3,636,619</u>

**LONG-TERM LIABILITIES:**

Revolving loan fund		1,459,800
Other notes payable		1,914,852
Long-term debt--net		10,609,083
Net pension liability		147,391
Total OPEB liability		<u>1,161,558</u>
Total long-term liabilities		<u>15,292,684</u>
Total liabilities	\$	<u>18,929,303</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions	\$	<u>1,599,973</u>
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**NET POSITION**

Net investment in capital assets	\$	17,769,275
Restricted net position- Other		349,461
Restricted net position- Net Pension Asset		1,543,451
Restricted net position- Rental Assistance Program		100,214
Unrestricted		2,624,453
Total net position	\$	<u>22,386,854</u>

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the year ended June 30, 2022

**OPERATING REVENUES:**

Tenant rental revenue	\$ 5,557,995
Federal program grants	20,960,928
State and local program grants	92,000
Miscellaneous income	893
Total operating revenues	<u>26,611,816</u>

**OPERATING EXPENSES:**

Salaries	1,909,207
Employee benefits & taxes	(59,713)
Housing assistance payments	18,656,650
Maintenance & operations	2,441,949
Professional services	113,304
Insurance	168,961
Operating expenses	473,656
Depreciation	859,008
Total operating expenses	<u>24,563,022</u>
Operating income (loss)	<u>2,048,794</u>

**NON-OPERATING REVENUES (EXPENSES):**

Interest income	42,126
Interest expense	(540,396)
Miscellaneous income	74,172
Net non-operating revenues (expenses)	<u>(424,098)</u>

**CHANGE IN NET POSITION** 1,624,696

**NET POSITION, beginning of year** 20,762,158

**NET POSITION, end of year** \$ 22,386,854

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

# HOUSING AUTHORITY OF THURSTON COUNTY

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

### CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers and funders	\$ 26,611,812
Cash payments to suppliers for goods and services	(21,649,018)
Cash payments to employees for services	(2,622,346)
Net cash provided by operating activities	<u>2,340,448</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Payments on DPA Mortgages	(31,439)
Other Receipts	74,172
Net cash provided by non-capital financing activities	<u>42,733</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on revenue bonds and other debt	(813,304)
Interest paid on revenue bonds and other debt	(520,074)
Proceeds on revenue bonds and other debt	2,939,223
Purchases of property and equipment	(4,436,478)
Net cash used by capital and related financing activities	<u>(2,830,633)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income received	39,975
Net cash provided by investing activities	<u>39,975</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** (407,477)

**CASH AND CASH EQUIVALENTS, at beginning of year** 7,359,007  
**CASH AND CASH EQUIVALENTS, at end of year** \$ 6,951,530

### RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED)

#### BY OPERATING ACTIVITIES:

Operating income (loss)	\$ 2,048,794
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	859,008
Changes in assets and liabilities:	
(Increase) decrease in operating accounts receivable	152,396
(Increase) decrease in operating other current assets	105,687
(Increase) decrease in Net Pension Asset	(1,543,451)
Increase (decrease) in accounts payable	39,165
Increase (decrease) in accrued compensated absences	(12,768)
Increase (decrease) in unearned revenue	(166,132)
Increase (decrease) in total OPEB liabilities	(192,276)
Increase (decrease) in net pension liability	(484,148)
Tenant security deposits received	88,980
Tenant security deposits refunded	(68,370)
Escrow deposits received	218,037
Escrow deposits paid out	(164,266)
Changes in deferred outflows/inflows:	
(Increase) decrease in deferred outflows of resources-related to pensions	53,817
Increase (decrease) in deferred inflows of resources-related to pensions	1,405,973
Net cash provided (used) by operating activities	<u>\$ 2,340,448</u>

### NONCASH INVESTING,CAPITAL AND FINANCING ACTIVITIES:

Amortization of Discounts on Bonds Payable	<u>\$ 20,322</u>
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The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

The following notes are an integral part of the accompanying financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority of Thurston County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

**A. Reporting Entity**

The Authority was incorporated in 1971 and operates under the laws of the state of Washington applicable to Housing Authorities

As required by the generally accepted accounting principles the financial statements present Authority, the primary government, and its component units. The Authority has no component units.

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

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Housing Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Capital asset purchases are capitalized and depreciated over their useful lives and long-term liabilities are accounted for in the proprietary fund.

The proprietary fund is composed of a number of programs. These programs (both federally and locally financed housing programs) are designed to provide quality affordable housing opportunities and increase the self-sufficiency of those housed.

**Operating Revenues/Expenses**

The Authority's statements of revenues, expenses, and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenue results from exchange transactions associated with providing housing and services directly related to the Agency's mission. Operating revenues and expenses also include federal operating subsidies and housing assistance payments provided by U.S. Department of Housing and Urban Development. The use of this classification is based on guidance from HUD, the primary user of these financial statements. Operating expenses are those expenses that are directly incurred in the operation of providing housing and other management activities, including administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, including but not limited to capital and noncapital federal grants, interest income and expense.

This presentation results in operating revenues that are higher than if subsidies and/or grants were presented as non-operating revenues. Overall, it does not affect the presentation of the change in net position in the statement of revenues, expenses, and changes in net position, or the presentation of cash and cash equivalents in the statement of cash flows.

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

**Public Support and Revenues**

The Housing Authority receives a substantial amount of its funding from HUD. In the event that HUD would discontinue its support because of budget cuts, the Housing Authority could experience a significant loss of support.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Budgetary Information**

Annual appropriated budgets are adopted on the accrual basis of accounting. Budget procedures are mandated by HUD. The budget, as adopted by the Housing Authority and partially approved by HUD, constitutes the authority for expenditures. The partially approved budget by HUD includes the Housing Choice Voucher and Moderate Rehabilitation programs.

**D. Assets, Liabilities, Net Position**

**1. Cash and Cash Equivalents**

It is the Authority's policy to invest all temporary cash surpluses. At June 30, 2022, the treasurer was holding \$5,914,312 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents.

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**2. Investments**

Investments for the Authority are reported at fair value. The Thurston County Investment Pool is not registered with the Securities and Exchange Commission and is an unrated investment pool. Rather, the pool operates in accordance with appropriate state laws and regulations, and is audited annually by the Washington State Auditor's Office. The reported value of the pool is the same as the fair value of the pool shares. For various risks related to the investments, see Deposits and Investments Note 2.

**3. Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and periodic aging of accounts receivable. Major receivable balances include HUD and other governments and property management companies.

**4. Mortgage Receivable**

Mortgages receivable consist of subordinate mortgage loans made under a down payment assistance program for first time home buyers. These loans are 0% interest loans secured by a deed of trust and payable upon sale or transfer of title or change of use.

The current portion is \$2,556, which is found in the Statement of Net Assets. The Non-current portion is \$1,094,167. The current portion is based on an estimated amount of what we will receive for the next 12 months.

**5. Restricted Assets and Liabilities**

The Restricted Asset accounts contain resources for tenant security deposits, Family Self Sufficiency (FSS) escrows, HUD restricted net position, and restricted revolving loan funds. Related liabilities are shown as "Payable from Restricted Assets" in the Statement of Net Position. For a detailed listing of restricted asset balances as of June 30, 2022 see Note 2 – Deposits and Investments.

**6. Capital Assets**

Property and equipment purchases are recorded at cost. The Housing Authority's policy is to capitalize purchased property and equipment with a cost greater than \$1,200 for the rental properties and those with a cost greater than \$5,000 for all other operations. Maintenance and repairs are charged to expenses as incurred; major improvements are capitalized. Depreciation is calculated on the straight-line basis over the estimated useful lives of the respective assets, which are as follows:

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Land improvements	5 to 20 years
Building and improvements	15 to 40 years
Equipment	5 to 12 years

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported for pension related activities.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the statement of net position.

**8. Compensation Absences**

All regular full-time and part-time employees are eligible to accrue annual leave based upon length of employment. Regular full-time employees accrue sick leave at a rate of one sick day (eight hours) for each month of continuous service. Regular part-time employees accrue sick leave at a rate determined by multiplying the employee's full-time equivalency rate by eight hours. All accrued unused annual leave will be paid out upon termination of employment. Regular employees who have completed five years of continuous employment with the HATC who are leaving HATC due to retirement pursuant to the Public Employees Retirement System or due to death will be partially paid for accumulated sick leave. Under no other circumstances are payments made for accrued, unused sick leave.

In addition, non-exempt employees are allowed to accumulate compensatory time in lieu of overtime pay. Compensatory time, if elected, shall accrue at the rate of one-and-one-half hours for each hour of overtime worked. All accrued, unused compensatory time will be paid out upon termination of employment.

Compensated absences payable, as reported on the balance sheet, are based on the accrued annual leave and compensatory time balances as of June 30, 2022.

**9. Pensions**

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the authority includes the net pension asset only. For details of the Pension Plans see Note – 10.

**10. Short-Term Debt (See Note 8 – *Short-Term Debt*)**

**11. Long-Term Debt (See Note 9 – *Long-Term Debt*)**

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. Net Position**

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities.

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Unrestricted Net Position consists of all net position that does not meet the definitions for “Net Investment in Capital Assets” or “Restricted.”

**13. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Accordingly, actual results could differ from these estimates.

**14. Future Accounting Standards**

**Statement No. 96**

Subscription-Based Information Technology Arrangements, provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party’s software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). All funds of the Authority are held in qualified financial institutions or with the Thurston County Treasurer.

**Deposits**

As of June 30, 2022, deposits with financial institutions are \$326,554.

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Authority would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Authority’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).



**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

Cash of the Housing Authority is combined with Thurston County's investment pool. The Authority is invested at 100% of their daily balance for each of its funds. The investment instruments are diversified under the guidelines of the Thurston County Investment Policy and conform to all state statutes. All funds deposited in the TCIP are available to the Authority at full face value without regard to current market values of the investment pool. Earnings distributions, including any realized transactions in the pool, are distributed monthly, calculated on the average daily balance of the Authority's cash balances.

The Authority has complete liquidity in all funds under the care of the Thurston County Treasurer. Because of this liquidity, it is never necessary to call funds early for cash management purposes, and the Housing Authority does not hold funds in specific time securities owned exclusively by the Authority. Therefore, all funds on deposit with the Thurston County Treasurer are considered cash equivalents as required by Washington State law, the Housing Authority's cash and cash equivalents are limited to obligations of the U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities, or certificates of deposit with Washington State banks and Savings and loan institutions. Because Washington State law limits the Authority's deposits and investments to those with no risk of loss, the Housing Authority has no policies addressing custodial credit risk. As of June 30, 2022, all of the Housing Authority's cash and cash equivalents are in the Thurston County Investment Pool or in checking and savings accounts with federally insured financial institutions. The cash and cash equivalents are recorded at cost plus accrued interest earnings, which approximate fair value.

At June 30, 2022, all cash and cash equivalents of the Housing Authority are fully insured and are held by the Housing Authority, or their agents in the Housing Authority's name.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Federally Insured Financial Institutions.	\$ 325,754	325,754
Thurston County Investment Pool	6,624,976	6,624,976
Total	<u>\$ 6,950,730</u>	<u>\$ 6,950,730</u>

**Cash and cash equivalents**

At June 30, 2022, unrestricted cash and cash equivalents consists of the following--

Amounts designated for maintenance and operating reserves	\$ 1,569,234
Amounts designated for Section 8 programs	565,237
Undesignated cash and cash equivalents	3,779,840
Total unrestricted cash and cash equivalents	<u>\$ 5,914,312</u>

**Restricted cash and cash equivalents** consist of the following:

**a. Restricted Net Position – Housing Choice Voucher (HCV) Program**

Housing authorities are required to maintain the balance of rental assistance funds received in excess of expenditures. The cumulative balance of those excesses is referred to as Restricted Net Position (RNP). The RNP balance is restricted by HUD to be used for HCV rental assistance payments only.

**b. FSS payable to tenants:**

FSS payable to tenants reflects the accumulated deposits and interest earnings to be paid to the FSS program participants upon their successful completion of the program.

**c. Tenant security deposits:**

Tenants are required to pay a security deposit at the time they move into one of the Housing Authority's developments. The security deposits are refundable provided that the unit's physical condition is satisfactory at the time the tenant moves out. Security deposit checking accounts have been established to cover the total security deposits payable to tenants.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**d. Restricted revolving loan funds**

As a provision of the Down Payment Assistance (DPA) program, all funds received to pay off the corresponding mortgages are accounted for separately and restricted for use consistent with the DPA program.

At June 30, 2022, restricted cash and cash equivalents consist of the following--

FSS payable to tenants	\$ 380,722
Tenant security deposits	293,871
DPA restricted loan funds	362,625
Total restricted cash	<u>\$ 1,037,218</u>

**NOTE 3 - ACCOUNTS RECEIVABLE:**

At June 30, 2022, accounts receivable consists of the following--

Federal grants	\$ 22,709
Property management companies	224,226
Portable vouchers	18,644
Other	11,133
Over paid HAP	240,830
Allowance for doubtful accounts	(223,528)
Total accounts receivable	<u>\$ 290,014</u>

**NOTE 4 – CAPITAL ASSETS**

The following is summary of the changes in capital assets for the year ended June 30, 2022:

	Balance, Beginning of year	Additions	Retirement s	Balance, End of year
Capital Assets not being depreciated:				
Land	\$ 6,980,328	1,476,235	-	\$ 8,456,563
Construction in Progress	2,401,610	711,475	2,058,789	1,054,296
<b>Total Capital assets not being depreciated</b>	<b>9,381,938</b>	<b>2,187,710</b>	<b>2,058,789</b>	<b>9,510,859</b>
Capital assets being depreciated				
Buildings and improvements	30,695,577	4,283,708	-	34,979,285
Machinery/Equipment	1,041,240	23,849	-	1,065,089
<b>Total capital assets being depreciated</b>	<b>31,736,817</b>	<b>4,307,558</b>	<b>-</b>	<b>36,044,374</b>
Less accumulated depreciation	(12,020,062)	(859,008)	-	(12,879,070)
<b>Total capital assets being depreciated-net</b>	<b>19,716,755</b>	<b>3,448,550</b>	<b>-</b>	<b>23,165,305</b>
<b>Total capital assets - net</b>	<b>\$29,098,693</b>	<b>\$5,636,260</b>	<b>\$2,058,789</b>	<b>\$32,676,163</b>

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 5 – CONSTRUCTION-IN-PROGRESS**

Construction-in-progress represents expenditures as of June 30, 2022 with the new development of the Olympia Crest III in Olympia, Washington that is adjacent to both Olympia Crest I and Olympia Crest II. On January 16, 2019, the Housing Authority purchased land adjacent to the Olympia Crest Apartments for \$612,500 and will develop 28 units adding to the current 164 units. The Housing Authority will be contributing approximately \$1.7 million to the construction along with the \$6,553,338 from a tax-exempt bond with Heritage Bank.

**NOTE 6 - ACCOUNTS PAYABLE:**

At June 30, 2022, accounts payable consists of the following-

Accounts payable—vendors	\$ 283,889
Accounts payable—HUD	18,811
Total accounts payable	<u>\$ 302,700</u>

Accounts payable include amounts due to vendors, suppliers, and to landlords that have not been paid for yet. The sum of all outstanding amounts owed to vendors is shown above.

**NOTE 7 – REVOLVING LOAN FUND**

In October, 2003 the Housing Authority entered into a contract with the Washington State Department of Commerce (previously Department of Community Trade and Economic Development) to administer a revolving fund. The total award is in the form of a recoverable grant with no expectation of repayment if the Housing Authority is in compliance with the terms and conditions set forth in the agreement for the term of the commitment ending December 31, 2034. Under this agreement, the Housing Authority issues second mortgages in connection with first-time home purchases for eligible low-income families. The second mortgages are secured by a deed of trust and any payments are restricted for the purpose of providing additional opportunities for low-income families to purchase homes. As of June 30, 2022, the Housing Authority has assisted 51 families with their first-time home purchases.

Revolving loan Fund is summarized as follows:

Beginning Balance	Additions	Reductions	End of Year	Due within one Year
\$1,476,800	\$0	\$8,000	\$1,459,800	\$0

**NOTE 8 – SHORT-TERM DEBT**

Short-term activities for the year ended June 30, 2022 was as follows:

	<u>Balance, Beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, End of year</u>
<b>Short-Term Notes Payable at June 30, 2022 is summarized as follows -</b>				
Heritage Note Payable- Olympia Crest Phase I Siding	<u>\$993,277</u>	<u>\$506,723</u>	<u>0</u>	<u>\$1,500,000</u>
<b>Short-Term debt at June 30, 2022 is summarized as follows -</b>	<u>\$993,277</u>	<u>\$506,723</u>	<u>0</u>	<u>\$1,500,000</u>

**Olympia Crest Phase 1 Siding Project - Heritage Bank:**

On July 29, 2021, the Housing Authority entered into a Draw down Line of Credit Loan with Heritage Bank to provide \$1,500,000 for the improvement of the Olympia Crest I in Olympia, WA for siding, painting, new rails, electrical improvements, and community building remodeling. The promissory note bears a variable interest rate with a max interest rate of 5.000% and an original maturity date of February 1, 2022. In the event of default the lender may declare

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
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**NOTE 8 – SHORT-TERM DEBT (CONTINUED)**

entire principal balance along with any accrued interest immediately due and payable. The Housing Authority received an extension of the line of credit until September 2022. As of June 30, 2022 the draws on the construction loan total \$1,500,000.

**NOTE 9 – OTHER NOTES PAYABLE AND LONG-TERM LIABILITIES**

The Housing Authority issued a variety of revenue bonds and notes to acquire several of its apartment complexes. Descriptions and terms of the debt issued for each complex are as follows:

**1. Notes Payable:**

**a. Lake Park Complex – Note Payable:**

The Housing Authority executed a Purchase and Sales Agreement in November 1999 for the purchase of an 8-unit apartment complex. The Housing Authority received a deferred note from the Department of Commerce (previously Department of Community Trade and Economic Development) Housing Finance Unit to purchase and rehabilitate the eight units in the amount of \$470,911. The deferred note is a zero-interest note with payment deferred for twenty-five years and is secured by a Deed of Trust on the property. Seven of the project's eight units must be used for transitional housing for homeless families with children in households that have incomes at or below 50% of Thurston County's median income. If the terms and conditions of the contract have been met, the note will be forgiven on December 31, 2028. In the event the property is sold, refinanced, or the property is not used as required by the contract prior to December 31, 2028, the balance of the note plus shared appreciation will be due and payable at the time of disposition

**b. Olympia Crest Phase II – Notes Payable:**

**1. Note Payable:**

The Housing Authority received a deferred note payable on May 21, 2008 from the City of Olympia for \$360,000 to purchase land adjacent to the existing property on which 24 new units were built. The note is secured by a Deed of Trust on the property. The note is a zero interest note with payment deferred until the property is sold, provided that the property is used as low-income housing. If the property is no longer used as low-income housing, the note shall be payable in 240 equal monthly payments bearing interest at 12% per annum. It is the intent of both the borrower and the lender to renegotiate the terms of this loan agreement every 5 years on or about the anniversary of the loan closing date for the purpose of determining the feasibility of converting this to an installment payment loan at 0%.

**2. Note Payable:**

The Housing Authority received a contract award of \$2,000,000 in April, 2009 from the Department of Commerce (previously Department of Community Trade and Economic Development) to build 24 units adjacent to the existing Olympia Crest Apartment Complex. The contract is secured by a Deed of Trust on the property. \$1,000,000 of the award is a recoverable grant with no expectation of repayment if the terms and conditions of the contract have been met through the term of the commitment that ends on September 30, 2050. The remaining \$1,000,000 of the award is a zero interest note with quarterly payment beginning March 31, 2011 with the final payment due March 31, 2045. However, if the Property is sold, refinanced, transferred, the use changes during the Commitment Period, or the Housing Authority is materially out of compliance with the terms and conditions of the Contract, the recoverable grant, plus a proportional share of the appreciated value of the Property will be due and payable to the HTF within thirty (30) days of such event.

**c. Horizons West – Notes Payable:**

The Housing Authority received two loans from the Department of Commerce (previously Department of Community Trade and Economic Development) for the acquisition and rehabilitation of the Horizons West apartment complex. Tenants of this complex must have household income that does not exceed 50% of the median income for Thurston County. Both notes are secured by a Deed of Trust on the property. In the event the property is sold, or the property is not used as

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
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**NOTE 9 – OTHER NOTES PAYABLE AND LONG-TERM LIABILITIES (CONTINUED)**

required by the contract, the lender is entitled to the unpaid balance, the amount representing the prorated appreciation and any costs incurred by the lender for collection. The terms of the loans are as follows:

1. **Note Payable:** The Housing Authority received a zero interest note from Department of Commerce for \$467,421, with terms deferred until sale, refinance, change of use, or fifty years, whichever occurs first.
  2. **Amortized Note Payable:** The Housing Authority received an additional note payable from Department of Commerce for \$151,590. This note requires payments of \$3,031.80 per year, 0% interest, and the note matures in December, 2043.
- d. **Hall Street – Notes Payable**  
The Housing Authority entered into a Subrecipient Agreement on September 26, 2014 with Thurston County for \$382,786 of CDBG funds to help fund the acquisition of 2, 4-plexes in Lacey, WA. Along with Housing Authority funds of \$224,389, the properties were acquired on September 30, 2014. Two secured promissory notes dated April 20, 2015 for \$191,393 each with 0% interest and maturity dates of April 20, 2045 were signed on April 14, 2015. The notes are secured by a Deed of Trust and Restrictive Covenant Agreement on each property. Provided the Housing Authority complies with all the agreements, on the maturity date set forth above, the entire balance of principal, interest and default interest, if any, shall be forgiven. In the event of default as defined in the restrictive covenant agreement, that cannot be remedied in 30 days, the note will bear interest at 10% per annum until the borrower remedies the default; or at the lender's discretion, the entire principal balance along with any accrued default interest, if any, may become immediately due and payable.
- e. **Triplexes – Notes Payable**  
The Housing Authority entered into an Agreement on January 18, 2018 with Thurston County for \$233,734 of HOME funds to help fund the construction of 2, triplexes in Lacey, WA. Two secured promissory notes dated August 14, 2019 for \$116,867 each with 0% interest and Maturity dates of August 14, 2039 were signed on August 15, 2019. The notes are secured by a Deed of Trust and Restrictive Covenant Agreement on each property. Provided the Housing Authority complies with all the agreements, on the maturity date set forth above, the entire balance of principal, interest and default interest, if any, shall be forgiven. In the event of default as defined in the restrictive covenant agreement, that cannot be remedied in 30 days, the note will bear interest at 10% per annum until the borrower remedies the default; or at the lender's discretion, the entire principal balance along with any accrued default interest, if any, may become immediately due and payable. As of June 30, 2021 the amount drawn on the HOME contract is \$233,734.
- f. **Triplexes – Olympia Federal Savings Note Payable**  
On February 20, 2019, the Housing Authority entered into a construction loan agreement and promissory note with Olympia Federal Savings to provide \$650,000 for the construction of the two triplexes in Lacey, WA. The promissory note bears an interest rate of 5.00% and matures on October 1, 2049 and is secured by a deed of trust. The monthly payments of \$3,518.55 commenced on November 1, 2019 and amortized over 30 years. In the event of default the lender may declare entire principal balance along with any accrued interest immediately due and payable.
- g. **Creekwood – Olympia Federal Savings Note Payable**  
The Housing Authority entered into an agreement and promissory note with Olympia Federal Savings to provide \$2,000,000 on December 14, 2021 with an interest rate of 3.950% for the purchase of four-fourplexes. The Housing Authority also contributed \$700,282 of its own funds for the purchase of the four- fourplexes. The maturity of the loan is January 1, 2052.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
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**NOTE 9 – OTHER NOTES PAYABLE AND LONG-TERM LIABILITIES (CONTINUED)**

**h. Sequoia Landing Phase II – Sawyer Group**

On December 7, 2021, the Housing Authority entered into an agreement with Sawyer Group, LLC to purchase 2.51 acres of land adjacent to the Sequoia Landing Apartments in Tumwater, Washington for \$865,000. The seller financed the purchase based on 50% down and a 5 year promissory note with monthly payments of \$3,500. The balance of the note is payable on the 10<sup>th</sup> day of January, 2027. The land will be used to build more units and will be known as Sequoia Landing Phase II.

**2. Bonds Payable:**

**Refunding Revenue Bond – Heritage Bank:**

On August 25, 2004, the Housing Authority entered into an agreement with Heritage Bank providing for the issuance of a single pooled refunding revenue bond of the Authority in a principal amount of \$8,300,000. The proceeds of the bond were used to refund all of the Authority's Housing Revenue Bonds, 1993 (Surrey Lane Project), Housing Revenue Bonds, 1993 (Forest Park Project – Olympia Crest), and Housing Revenue Bonds, 1994 (Villa Granada Project – Falls Pointe), and to pay the costs of issuing the bond. In addition, \$221,724 of the proceeds, along with \$117,159 of cash, was used to pay off a 7.25% loan payable on the Shadow Wood apartment complex. The pooled refunding revenue bond was issued in the aggregate principal amount of \$8,300,000, bears an interest rate of 4.90% per annum and matures on August 25, 2024, with principal and interest payments of \$55,020.51. The pooled refunding revenue bond is collateralized by a deed of trust on all three properties and a security interest in the property rents. In the event of default that is not cured within the terms of the loan agreement the Lender, at its option, may declare all bond obligations immediately due and payable. The unamortized discounts on the refunded bonds payable will be amortized over the life of the pooled refunding revenue bond.

On October 28, 2009, the Housing Authority entered into an agreement with Heritage Bank providing for the issuance of a revenue bond of the Authority in a principal amount not to exceed \$1,800,000. On June 15, 2011, the Housing Authority modified the Heritage Bank agreement bringing the principal amount down to \$1,125,000. The proceeds of the bond were used to build 24 units referred to as Olympia Crest Apartments Phase II. This revenue bond bears an interest rate of 5.50% per annum and matures June 30, 2031, with monthly principal and interest payments of \$6,444.96. The revenue bond is collateralized by a deed of trust on the property and a security interest in the property rents. In the event of default that is not cured within the terms of the loan agreement the Lender, at its option, may declare all bond obligations immediately due and payable.

**Multifamily Revenue Bond – Washington State Housing Finance Commission:**

On May 15, 2011, the Housing Authority entered into an agreement with the Washington State Housing Finance Commission (WSHFC) providing funding for Sequoia Landing with a \$2,500,000 grant and issuance of a Multifamily Revenue Bond in the principal amount of \$3,356,000. The proceeds of the bond were used to build 40 units on Littlerock Road in Tumwater, Washington. This bond bears an interest rate of 4.95% per annum and matures June 1, 2043. Beginning July 1, 2013, monthly principal and interest payments of \$18,061.53 are due on the 1<sup>st</sup> of each month amortized over a 30-year period. The revenue bond is collateralized by a deed of trust on the property and a security interest in the property rents. In the event of default that is not cured within the terms of the loan agreement the Lender, at its option, may declare all bond obligations immediately due and payable.

**Revenue Bond - Heritage Bank:**

On July 22, 2016, the Housing Authority entered into an agreement with Heritage Bank providing for the issuance of a revenue bond of the Authority in a principal amount not to exceed \$2,975,000. The proceeds of the bond were used to build 24 units (12 duplexes) referred to as Allen Orchard in Tumwater, Washington. This revenue bond bears an interest rate of 3.75% per annum. Effective July 22, 2031, and every fifth anniversary of that date thereafter until maturity (July 22, 2047) or repayment in full of this bond, the outstanding balance shall bear the interest as the rate determined by the bank to be the greater of 3.75% per annum, or the sum of 2.75% plus 65% of the most-recent five-year advanced rate of the Federal Home Loan Bank (FHLB) of Des Moines. The monthly principal and interest payments of

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
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**NOTE 9 – OTHER NOTES PAYABLE AND LONG-TERM LIABILITIES (CONTINUED)**

\$13,782.80 are due on the 1<sup>st</sup> of each month amortized over 30 years. The revenue bond is collateralized by a deed of trust on the property and a security interest in the property rents. In the event of default that is not cured within the terms of the loan agreement the Lender, at its option, may declare all bond obligations immediately due and payable.

Federal arbitrage regulations are not applicable to any of the Housing Authority's debts.

	Balance, Beginning of year	Additions	Reductions	Balance, End of year	Due Within One Year
<b>Other Notes Payable at June 30, 2022 is summarized as follows ---</b>					
DCTED Note Payable--- Lake Park	\$ 470,911	\$ -	\$ -	\$ 470,911	\$ -
City of Olympia Note Payable --- Olympia Crest	360,000	-	-	360,000	-
DCD Note Payable --- Horizons West	467,421	-	-	467,421	-
Note Payable --- Hall Street	382,786	-	-	382,786	-
Thurston County Note Payable -- - Triplexes	<u>233,734</u>	-	-	<u>233,734</u>	-
Total other notes payable	<u>\$ 1,914,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,914,852</u>	<u>=</u>
<b>Long- Term debt at June 30, 2022 is summarized as follows - --</b>					
DCD Note payable --- Horizons West	69,732	-	\$ 3,032	66,700	\$ 3,032
Bond Payable – Heritage Bank	1,934,881	-	577,125	1,357,756	606,413
HTF Note Payable – Olympia Crest Phase II	748,000	-	24,000	724,000	24,000
Bond Payable Heritage – Olympia Crest Phase II	927,320	-	26,291	901,029	27,789
WSHFC- Bond Payable- Sequoia Landing	2,846,521	-	75,574	2,770,947	81,387
Bond Payable- Heritage Bank- Allen Orchard	2,736,291	-	63,868	2,672,423	66,298
Olympia Federal Note Payable -- - Triplexes	632,257	-	10,856	621,401	12,020
Olympia Federal Note Payable--- Creekwood 4-4 Triplexes	-	2,000,000	17,766	1,982,234	35,935
Sawyer Group--- Sequoia Phase II	-	432,500	14,792	417,708	26,079
Total long-term debt	<u>\$ 9,895,002</u>	<u>\$ 2,432,500</u>	<u>\$ 813,304</u>	11,514,198	<u>\$ 882,953</u>
Less current portion of long-term debt				(882,953)	
Less discounts on refunded bonds payable				(22,162)	
Long term debt- net				<u>\$ 10,609,083</u>	
<b>Net Pension Liability at June 30, 2022 is summarized as follows ---</b>	<u>\$ 631,539</u>	<u>147,391</u>	<u>631,539</u>	<u>\$ 147,391</u>	
<b>Total OPEB Liabilities at June 30, 2022 is summarized as follows</b>	<u>\$ 1,382,334</u>	<u>1,190,058</u>	<u>1,382,334</u>	<u>\$ 1,190,058</u>	<u>28,500</u>

**HOUSING AUTHORITY OF THURSTON COUNTY**  
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**NOTE 9 – OTHER NOTES PAYABLE AND LONG-TERM LIABILITIES (CONTINUED)**

The annual debt service requirements to maturity for long-term debt as of June 30, 2022, are as follows:

	<b>Principal</b>	<b>Interest</b>
<b>2023</b>	882,953	462,695
<b>2024</b>	923,982	421,667
<b>2025</b>	436,492	385,937
<b>2026</b>	319,490	378,592
<b>2027</b>	603,906	351,483
<b>2028-2032</b>	2,221,629	1,546,355
<b>2033-2037</b>	1,805,247	1,025,063
<b>2038-2042</b>	2,253,593	614,863
<b>2043-2047</b>	1,640,677	227,754
<b>2048-2052</b>	426,229	32,683
<b>2053</b>	\$0	\$0
<b>Total=</b>	<b>\$11,514,198</b>	<b>\$5,447,092</b>

**Note 10 – Pension Plans**

The following table represents the aggregate pension amounts for all plans for the year 2022:

<b>Aggregate Pension Amounts – All Plans</b>	
Pension liabilities	\$ 147,391
Pension assets	\$ 1,543,451
Deferred outflows of resources	\$ 306,682
Deferred inflows of resources	\$ 1,599,973
Pension expense/expenditures	\$ (376,356)

**State Sponsored Pension Plans**

Substantially all Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.



**HOUSING AUTHORITY OF THURSTON COUNTY**  
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**NOTE 10 – PENSION PLANS (CONTINUED)**

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee*</b>
July – August 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.97%</b>	<b>6.00%</b>
September 2021 – June 2022		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
<b>Total</b>	<b>10.25%</b>	<b>6.00%</b>

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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**NOTE 10 – PENSION PLANS (CONTINUED)**

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
July – August 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.97%</b>	<b>7.90%</b>
September 2021 – June 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.25%</b>	<b>6.36%</b>

The Authority's actual PERS plan contributions were \$70,535 to PERS Plan 1 and \$120,919 to PERS Plan 2/3 for the year ended June 30, 2022.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

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**NOTE 10 – PENSION PLANS (CONTINUED)**

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.
- 

**Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long-Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

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**NOTE 10 – PENSION PLANS (CONTINUED)**

**Sensitivity of the Net Pension Liability/(Asset)**

The table below presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	<b>1% Decrease (6.4%)</b>	<b>Current Discount Rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
PERS 1	\$251,088	\$147,391	\$56,956
PERS 2/3	\$(439,699)	\$(1,543,451)	\$(2,452,392)

**Pension Plan Fiduciary Net Position**

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the Authority reported its proportionate share of the net pension liabilities as follows:

	<b>Liability (Asset)</b>
PERS 1	\$147,391
PERS 2/3	\$(1,543,451)

At June 30, the Authority's proportionate share of the collective net pension liabilities was as follows (only report applicable plans):

	<b>Proportionate Share 6/30/20</b>	<b>Proportionate Share 6/30/21</b>	<b>Change in Proportion</b>
PERS 1	.012177%	.012069%	.000108%
PERS 2/3	.015765%	.015494%	.000271%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

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**NOTE 10 – PENSION PLANS (CONTINUED)**

**Pension Expense**

For the year ended June 30, 2022, the Authority recognized pension expense as follows:

	<b>Pension Expense</b>
PERS 1	\$(31,464)
PERS 2/3	\$(344,892)
<b>TOTAL</b>	<b>\$(376,356)</b>

**Deferred Outflows of Resources and Deferred Inflows of Resource**

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>			<b>Deferred Inflows of Resources</b>		
<b>Plans</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>Total</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>Total</b>
Differences between expected and actual experience		\$74,962	\$ 74,962		\$18,921	\$ 18,921
Net difference between projected and actual investment earnings on pension plan investments				\$163,554	\$1,289,966	\$1,453,520
Changes of assumptions		\$2,255	\$ 2,255		\$109,612	\$ 109,612
Changes in proportion and differences between contributions and proportionate share of contributions		\$38,013	\$ 38,013		\$17,920	\$ 17,920
Contributions subsequent to the measurement date	\$70,535	\$120,917	\$191,452			
<b>TOTAL</b>	<b>\$70,535</b>	<b>\$236,150</b>	<b>\$306,682</b>	<b>\$163,554</b>	<b>\$1,436,419</b>	<b>\$1,599,973</b>

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**HOUSING AUTHORITY OF THURSTON COUNTY**  
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**NOTE 10 – PENSION PLANS (CONTINUED)**

<b>Year ended June 30:</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>Total</b>
2022	(43,326)	(347,635)	\$ (390,961)
2023	(39,702)	(324,459)	\$ (364,161)
2024	(37,540)	(307,341)	\$ (344,881)
2025	(42,987)	(336,613)	\$ (379,600)
2026		(5,349)	\$ (5,349)
Thereafter		213	\$ 213
Total	\$ (163,554)	\$ (1,321,183)	\$ (1,484,738)

**Actuarial Assumptions**

The total pension asset for the VFFRPF was determined by an actuarial valuation by the Office of the State Actuary (OSA) as of June 30, 2020, and rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

- **Inflation:** 2.25%
- **Salary increases:** N/A
- **Investment rate of return:** 6.00%

The actuarial assumptions used in the valuation were based on the results of the OSA's *2021 Report on Financial Condition and Economic Experience Study*, the *2021 Pension Experience Study*, and the *2018 Relief Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2020 valuation report.

Mortality assumptions used for this plan are consistent with assumptions used for Public Employees' Retirement System. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

**NOTE 11 - DEFERRED COMPENSATION PLAN**

The Housing Authority of Thurston County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is with the State of Washington Committee for Deferred Compensation. The plan, available to eligible employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In June 1998, the State of Washington Deferred Compensation Program Plan assets were placed in trust for the exclusive benefit of participants and their beneficiaries. Pursuant to GASB Statement 32, since the

Housing Authority of Thurston County is no longer the owner of these assets, the plan assets and liabilities are not recorded on the financial statements of the Housing Authority of Thurston County.

**NOTE 12 – WASHINGTON HOUSING AUTHORITIES' RISK RETENTION POOL**

The Housing Authority is not facing any type of risk and has no settlements that exceeded the insurance coverage traditionally insured with property and casualty insurance. We are unaware of any loss exposures that may need specialized coverage traditionally excluded in property and casualty insurance.

The Housing Authority of Thurston County is a member of Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 (Interlocal Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and California originally formed HARRP in March 1987. HARRP was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. HARRP is a U.S. Department of Housing and Urban Development (HUD) approved self-insurance entity for utilization by public housing authorities. HARRP has a total of eighty

**HOUSING AUTHORITY OF THURSTON COUNTY**  
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**NOTE 12 – WASHINGTON HOUSING AUTHORITIES' RISK RETENTION POOL (continued)**

six member/owner housing authorities in the states of Washington, Oregon, California and Nevada. Thirty-six of the eighty six members are Washington State public housing entities. In 2022, HARRP switched to a different insurance provider named Synchronous Risk Management.

New members are underwritten at their original membership and thereafter automatically renew on an annual basis. Members may quit upon giving notice to HARRP prior to their renewal date. Members terminating membership are not eligible to rejoin HARRP for three years. HARRP can terminate the members after giving a sixty (60) day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

General and Automobile Liability Coverage is written on an occurrence basis, without member deductibles. Errors and Omissions coverage (which includes Employment Practices Liability) is written on claims made basis, and the members are responsible for 10% of the incurred costs of the claims. The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$1,000 to \$25,000. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E & O co-payments). Fidelity coverage is also offered, with limits of \$100,000 (with options up to \$500,000) for employee dishonesty, forgery or alteration and \$10,000 for theft with deductibles similar to the retention of Property

Coverage limits for General Liability, as well as Errors and Omissions are \$2,000,000 per occurrence with no annual aggregate. Property limits are offered on an agreed amount, based on each structure's value. Limits for Automobile Liability are covered at \$2,000,000, with no aggregate. HARRP self-insures the first \$1million of coverage for liability lines and purchases an additional \$1 million in reinsurance for a total of \$2 million. For property, HARRP retains the first \$1,000,000 and purchases an additional \$1million reinsurance policy and then purchases \$45 million of excess insurance from Munich Reinsurance for a combined total of \$47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

HARRP provides loss control and claim services with in-house staff and retained third party contractors. HARRP is fully funded by member contributions that are adjusted by the HARRP Board on the basis of independent actuarial studies. These assessments cover loss, loss adjustment expenses, excess insurance, reinsurance and other administrative expenses. HARRP does not have the right to assess the membership for any shortfall in its funding. Such shortfalls are made up through future rate adjustment

**Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans**

*The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASBS 75 for the year 2022*

<b>Aggregate OPEB Amounts – All Plans</b>	
<i>OPEB liabilities</i>	<i>\$1,190,058</i>
<i>OPEB expense/expenditures</i>	<i>\$(168,399)</i>

**OPEB Plan Description**

Beginning in fiscal year 2018, the Housing Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 75 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how housing authorities should account for and report their costs related to post-employment health care and other non-pension benefits. GASB 75 requires the Housing Authority to accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the Housing Authority.



**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 13– DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the Washington State Health Care Authority (HCA), is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life and long-term disability. The eligible retirees can choose to participate in the plan and pay 100% of the cost. Entities that belong to PEBB have an OPEB liability related to the implicit rate subsidy for insurance offered to retirees. The Housing Authority funds this subsidy on a pay-as-you-go basis and there are no assets accumulated.

***Employees covered by benefit terms:*** *At June 30, 2022, the following employees were covered by the benefit terms:*

<i>Inactive employees or beneficiaries currently receiving benefits</i>	<i>7</i>
<i>Inactive employees entitled to but not yet receiving benefits</i>	<i>0</i>
<i>Active employees</i>	<i>22</i>
<i>Total</i>	<i>29</i>

**Assumptions and Other Inputs**

The Housing Authority used the Alternative Measurement Method (AMM) permitted under GASB Statement No. 75, prepared by the Office of the State Actuary (OSA). The valuation and measurement date for the OPEB Actuarial Valuation is the same as the Authority, June 30, 2021. A complete copy of the 201185 Other Post-Employment Benefits Actuarial Valuation report may be obtained by writing to: The Office of State Actuary, P.O. Box 40914, Olympia, WA 98504-0914; or it may be downloaded from the OSA website at [www.osa.leg.wa.gov](http://www.osa.leg.wa.gov).

In addition, the following information related to assumptions and other inputs should be disclosed, as applicable:

OSA used the following assumptions in developing the OPEB liability

- Inflation of 2.75%
- Healthcare cost trend initial rate rang approximately 2-11% reaching an ultimate rate of approximately 4.3% in 2075
- Projected salary changes are at 3.5% plus service based increases
- The implicit subsidy is based on claims experience for employees and non-Medicare eligible retirees being pooled when determining premiums.
- Mortality rates are based on the Healthy RP-2000 tables with no age setback, mortality improvements of 100% Sale BB and generational projection period.
- The discount rate at the beginning of the measurement year was 2.16% compared to the end of the measurement year of 3.54%
- Post-retirement participation percentage of 65%
- Percentage with spouse coverage of 45%



**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 13– DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

The Specific assumptions used for the AMM were reasonable and are as follows:

- 2/3 of members select a UMP plan and 1/3 select a Kaiser Permanente (KP) plan.
- UMP pre- and post-Medicare costs and premiums are equal to the Uniform Medical Plan (UMP).
- The KP pre-Medicare costs and premiums are a 50/50 blend of KP Classic and KP Value.
- The KP post-Medicare costs and premiums are equal to KP WA Medicare.
- Estimated retirement service for each active cohort based on the average entry age of 35, with a minimum service of 1 year. For example, an age 47 member is assumed to have 12 years of service. Service is a component of benefit eligibility.
- Assumptions for retirement, disability, termination, and mortality are consistent with the most recent PEBB OPEB valuation as of the publication date of this tool.
- OSA made the following changes for simplicity; assumed Plan 2 decrement rates. Assumed all employees are retirement eligible at age 55 and all employees retire by age 70. Based on an average expected retirement age of 65, we applied active mortality rates for ages less than 65 and retiree mortality rates for ages 65+.
- Each cohort is assumed to be a 50/50 male/female split.
- Assume a 45% likelihood that current (and future) retirees cover a spouse. OSA assumed that eligible spouses are the same age as the primary member.
- Selected the age-based cohorts for AMM based upon the overall distribution of State employees and retirees that participate in PEBB
- No dental benefits when calculating Total OPEB Liability. Dental benefits represent less than 2% of the accrued benefit obligations under the 2021 PEBB OPEB AVR.

*The following presents the net OPEB liability of the Authority calculated using the current healthcare cost trend rate of 6.8 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8 percent) or 1-percentage point higher (7.8 percent) than the current rate.*

	1% Decrease (5.8%)	Current Healthcare Cost Trend Rate (6.8%)	1% Increase (7.8%)
Net OPEB Liability	\$1,000,071	\$1,190,058	\$1,434,015

*The following presents the net OPEB liability of the Authority calculated using the discount rate of 3.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5 percent) or 1-percentage point higher (4.5 percent) than the current rate.*

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB Liability	\$1,403,379	\$1,190,058	\$1,019,567

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 13– DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)**

**Changes in the Net OPEB Liability**

<i>Plan Name</i>	<i>Total OPEB Liability</i>
<i>Balances at 6/30/2021</i>	<i>\$1,382,334</i>
<i>Changes for the year:</i>	
<i>Service cost</i>	<i>\$54,511</i>
<i>Interest</i>	<i>\$30,779</i>
<i>Changes of benefit terms</i>	<i>\$0</i>
<i>Changes in experience data and assumptions</i>	<i>\$(253,689)</i>
<i>Benefit payments</i>	<i>\$(23,877)</i>
<i>Balances at 6/30/2022</i>	<i>\$1,190,058</i>

The measurement and valuation date was June 30, 2022.

**NOTE 14 – CONTRACTS AND AGREEMENTS**

The Housing Authority has agreements with two property management companies for the property management of 553 apartments owned by the Housing Authority located in Olympia, Lacey and Tumwater, Washington. Under the terms of the agreements, the property management companies are responsible for leasing and managing the property, including tenant selection, collection of rents and other receipts, payment of operating expenses, maintenance, and accounting for the property's operations.

In exchange for the services, the Housing Authority pays the property management companies a monthly fixed fee on Olympia Crest, Falls Point and Surrey Lane. The other properties are based on a fixed fee plus a percentage of the total monthly gross receipts from each project.

**NOTE 15 – CONTINGENCIES AND LITIGATION**

The Housing Authority is occasionally party to various legal proceedings which normally occur in housing authority operations. These legal proceedings have historically been resolved in the Housing Authority's favor, and future legal proceedings are not likely to have a material adverse impact on the affected funds of the Housing Authority. Also, the Housing Authority is covered against litigation through the Housing Authorities' Risk Retention Pool, as discussed in Note 12. At June 30, 2022, the Housing Authority was not aware of any pending or threatened litigation or other contingent liabilities that are required to be accrued or disclosed in the financial statements.

**NOTE 16- SUBSEQUENT EVENTS**

**Housing Revenue and Refunding Bond**

On September 14, 2022, The Housing Authority entered into an agreement with Heritage Bank providing for the issuance of the Housing Revenue and Refunding Bond to Heritage Bank for \$8,950,000. The proceeds of the bond will be used to pay off the \$1,500,000 Heritage Bank line of credit and pay off the \$896,662 balance of the \$1,125,000 Heritage Bank revenue bond issued to build Olympia Crest Phase II, and the balance of \$6,553,338 will be used for construction of Olympia Crest Phase III. The Housing Revenue and Refunding Bond bears an interest rate of 3.73% per annum and matures on September 14, 2038, with principal and interest payment of \$41,347.34 will begin October 1, 2023. The bond is collateralized by a deed of trust on all three Olympia Crest apartments and a security interest on the property rents.

# REQUIRED SUPPLEMENTARY INFORMATION

## Housing Authority of Thurston County Schedule of Proportionate Share of the Net Pension Liability Public Employees' Retirement System Plan 1 As of June 30, 2022 Last 10 Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	% 0.012069%	0.012177%	0.012483%	0.012841%	0.000124%	0.000130%	0.000148%	0.000152%
Employer's proportionate share of the net pension liability	\$ 426,101	429,914	480,016	573,483	586,919	696,819	773,968	763,192
Covered payroll	\$ 1,853,114	1,841,454	1,750,495	1,626,421	1,457,656	1,443,507	1,603,118	
Employer's proportionate share of the net pension liability as a percentage of covered payroll	% 22.99%	23.35%	27.42%	35.26%	40.26%	48.27%	48.28%	
Plan fiduciary net position as a percentage of the total pension liability	% 88.74%	68.64%	63.22%	61.24%	57.03%	59.10%	61.19%	

### Notes to Schedule:

\*Until a full 10-year trend is compiled, only information for those years available is presented.

# REQUIRED SUPPLEMENTARY INFORMATION

## Housing Authority of Thurston County Schedule of Proportionate Share of the Net Pension Liability Public Employees' Retirement System Plan 2/3 As of June 30, 2022 Last 10 Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	% 0.015494%	0.015765%	0.016107%	0.015266%	0.014070%	0.014759%	0.017232%	0.017608%
Employer's proportionate share of the net pension liability	\$ 198,159	201,625	156,454	260,653	488,865	743,104	615,709	355,921
Covered payroll	\$ 1,853,114	1,841,454	1,750,495	1,572,733	1,379,464	1,367,595	1,529,054	
Employer's proportionate share of the net pension liability as a percentage of covered payroll	% 10.69%	10.95%	8.94%	16.57%	35.44%	54.34%	40.27%	
Plan fiduciary net position as a percentage of the total pension liability	% 120.29%	97.22%	95.77%	90.97%	85.82%	89.20%	93.29%	

### Notes to Schedule:

\*Until a full 10-year trend is compiled, only information for those years available is presented.

# REQUIRED SUPPLEMENTARY INFORMATION

## Housing Authority of Thurston County Schedule of Employer Contributions Public Employees' Retirement System Plan 1 For the year ended June 30, 2022 Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 70,535	89,898	88,252	89,511	85,830	74,402	73,585
Contributions in relation to the statutorily or contractually required contributions	\$ (70,535)	(89,898)	(88,252)	(89,511)	(85,830)	(74,402)	(73,585)
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0
Covered payroll	\$ 1,901,227	1,853,114	1,841,454	1,750,495	1,626,421	1,457,656	1,443,507
Contributions as a percentage of covered payroll	% 3.71%	4.85%	4.79%	5.11%	5.28%	5.10%	5.10%

### Notes to Schedule:

\*Until a full 10-year trend is compiled, only information for those years available is presented.

# REQUIRED SUPPLEMENTARY INFORMATION

## Housing Authority of Thurston County Schedule of Employer Contributions Public Employees' Retirement System Plan 2/3 For the year ended June 30, 2022 Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 120,919	146,767	145,232	131,550	117,798	85,940	85,201
Contributions in relation to the statutorily or contractually required contributions	\$ (120,919)	(146,767)	(145,232)	(131,550)	(117,798)	(85,940)	(85,201)
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0
Covered payroll	\$ 1,901,227	1,853,114	1,841,454	1,750,495	1,572,733	1,379,464	1,367,595
Contributions as a percentage of covered payroll	% 6.36%	7.92%	7.89%	7.52%	7.49%	6.23%	6.23%

### Notes to Schedule:

\*Until a full 10-year trend is compiled, only information for those years available is presented.

# REQUIRED SUPPLEMENTARY INFORMATION

## Housing Authority of Thurston County Schedule of Changes in Total OPEB Liability and Related Ratios For the year ended June 30, 2022 Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018
<b>Total OPEB liability - beginning</b>					
Service cost	\$ 1,382,334	\$ 1,504,207	1,174,234	1,310,728	1,301,961
Interest	54,511	58,327	44,409	45,104	51,896
Changes in benefit terms	30,779	34,237	42,331	52,051	48,183
Differences between expected and actual experience	0	0	0	0	0
Changes of assumptions	0	0	0	0	-75,270
Benefit payments	(253,689)	(187,576)	261,791	-211,728	0
Other changes	(23,877)	(26,861)	-18,558	-21,921	-16,042
<b>Total OPEB liability - ending</b>	<b>1,190,058</b>	<b>1,382,334</b>	<b>1,504,207</b>	<b>1,174,234</b>	<b>1,310,728</b>
<b>Covered-employee payroll</b>	<b>1,901,227</b>	<b>1,853,114</b>	<b>1,833,738</b>	<b>1,750,495</b>	<b>1,646,725</b>
<b>Total OPEB liability as a % of covered-employee payroll</b>	<b>62.59%</b>	<b>74.60%</b>	<b>82.03%</b>	<b>67.08%</b>	<b>79.60%</b>

### Notes to Schedule:

- \* Until a full 10-year trend is compiled, only information for those years available is presented.
- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2022**

**NOTE 1 - BASIS OF ACCOUNTING AND PRESENTATION**

The Housing Authority maintains its accounting records in accordance with US Generally Accepted Accounting Principles (GAAP) on the accrual basis. Revenues are recognized in the period earned, with the corresponding receivable recorded at that time. Expenses are recognized in the period incurred.

**NOTE 2 – OTHER POST EMPLOYMENT BENEFITS**

Plan Description and Funding Policy

The Housing Authority provides medical benefits through the Public Employees Benefit Board (PEBB). The plan provides healthcare insurance for eligible retirees and their dependents. The eligible retirees can choose to participate in the plan and pay 100% of the cost. Entities that belong to PEBB have an OPEB liability related to the implicit rate subsidy for insurance offered to retirees. The Housing Authority funds this subsidy on a pay-as-you-go basis. No assets are accumulated in a trust to pay related benefits.

Actuarial Methods and Assumptions

The Housing Authority used the Alternative Measurement Method (AMM) permitted under GASB Statement No. 75, prepared by the Office of the State Actuary (OSA). The valuation and measurement date for the OPEB Actuarial Valuation is the same as the Authority, June 30, 2022. OSA assumptions were an inflation factor of 2.75%, Healthcare cost trend initial rate from about 2-11%, reach an ultimate rate of approximately 4.3% in 2075, projected salary changes are at 3.50% plus service based increases, the implicit subsidy is based on claims experience for employees and non-Medicare eligible retirees being pooled when determining premiums, mortality rates are based on the Healthy PubG.H-2010 tables with an age setback of 0 year, mortality improvements of 100% Sale BB and generational projection period and the discount rate at the beginning of the measurement year was 2.16% compared to the end of the measurement year of 3.54%. A complete copy of the 201185 Other Post-Employment Benefits Actuarial Valuation report may be obtained by writing to: The Office of State Actuary, P.O. Box 40914, Olympia, WA 98504-0914; or it may be downloaded from the OSA website at [www.osa.leg.wa.gov](http://www.osa.leg.wa.gov).

**NOTE 3 – PENSION PLANS – SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS**

The employer contributions processed within the fiscal years ended June 30 are used as the basis for determining each employer's proportionate share of the Net Pension Liability (NPL).

The Total Pension Liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. Mortality rates were based on Pub.H-2010 report's Combined Healthy Table and Combined Disabled Table. The Society of Actuaries published the document. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB.

Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).



**Housing Authority of Thurston County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via THURSTON COUNTY)	Community Development Block Grants/Entitlement Grants	14.218	CDBG-HATC- RHA	382,786	-	382,786	-	3
Total CDBG - Entitlement Grants Cluster:				382,786	-	382,786	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		-	-	-	-	3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via CITY OF OLYMPIA)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	RRP-188	360,000	-	360,000	-	3
Total ALN 14.228:				360,000	-	360,000	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via THURSTON COUNTY)	Home Investment Partnerships Program	14.239	1718-HOME- HC-HATC- GOLFCLUB	233,734	-	233,734	-	3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Continuum of Care Program	14.267		-	137,293	137,293	-	

**Section 8 Project-Based Cluster**

*The accompanying notes are an integral part of this schedule.*

**Housing Authority of Thurston County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

Federal Agency (Pass-Through Agency)	Expenditures					Passed through to Subrecipients	Note
	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856		-	239,672	239,672	-
<b>Total Section 8 Project-Based Cluster:</b>							-
<b>Housing Voucher Cluster</b>							
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Section 8 Housing Choice Vouchers	14.871		-	18,591,360	18,591,360	-
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Section 8 Housing Choice Vouchers	14.871		-	50,000	50,000	-
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Section 8 Housing Choice Vouchers	14.871		-	402,884	402,884	-
<b>Total ALN 14.871:</b>							-
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Mainstream Vouchers	14.879		-	1,257,028	1,257,028	-
<b>Total Housing Voucher Cluster:</b>							-
						<b>19,044,244</b>	<b>19,044,244</b>
						<b>20,301,272</b>	<b>20,301,272</b>

**Housing Authority of Thurston County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

		Expenditures					Passed through to Subrecipients	Note
		Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	
ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF		Family Self-Sufficiency Program	14,896		-	98,377	98,377	-
		<b>Total Federal Awards Expended:</b>			<b>976,520</b>	<b>20,776,614</b>	<b>21,753,134</b>	<b>-</b>

**HOUSING AUTHORITY OF THURSTON COUNTY**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2022**

**NOTE 1 - BASIS OF ACCOUNTING AND PRESENTATION**

The Housing Authority maintains its accounting records in accordance with U.S. Generally Accepted Accounting Principles (GAAP) on the accrual basis. Revenues are recognized in the period earned, with the corresponding receivable recorded at that time. Expenses are recognized in the period incurred.

**NOTE 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs for the federal awards. Costs expended from other sources are not included on these schedules.

**NOTE 3 - LOANS**

**CFDA #: 14.228 Community Development Block Grants States Program**

The Housing Authority of Thurston County was approved for a loan from the City of Olympia using Community Development Block Grant funds totaling \$360,000. The funds were used to acquire land to build 24 additional units at an existing property for low income individuals and families. The amount listed is the outstanding balance from prior years. The project was completed in July 2011.

**CFDA #: 14.218 Community Development Block Grant Entitlement Grants**

The Housing Authority of Thurston County entered into a sub-recipient agreement on September 26, 2014 secured by a deed of trust and promissory note with Thurston County using Community Development Block Grant funds totaling \$382,786. The funds were used to acquire two 4-plexes for low income individuals and families. The amount listed for this loan includes the proceeds used during the year and the outstanding balance at year end.

**CFDA #: 14.239 HOME Investment Partnership Program**

The Housing Authority of Thurston County entered into an agreement on September 26, 2014 secured by a deed of trust and promissory note with Thurston County using HOME funds totaling \$233,734. The funds were used to build two triplexes for low income individuals and families. The amount listed for this loan includes the proceeds used during the year and the outstanding balance at year end.

**NOTE 4 – INDIRECT COST RATE**

The amount expended includes \$582,462 claimed as an indirect cost recovery using an approved indirect cost rate. The Housing Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THURSTON COUNTY  
Olympia, WACOMBINED FINANCIAL DATA SCHEDULES  
Fiscal Year Ending June 30, 2022

Line #	CFDA:	1 Business Activities	2 State & Local	93,958 Mental Health/Bk Grant (HIV/AIDS)	14,879 Mainstream	14,218 CDBG	14,228 CDBG	14,267 HATS	14,239 HOME	14,871 Section 8 Voucher	14,1HCC HCV Cures Act Funding	14,896 ROSS	14,856 Section 8 Mod Rehab	14,4HV EHV PROGRAM	Elimination	Total
111		Cash - Unrestricted	4,830,073	24,251	36,803	264,104	264,104	0	-	326,257	0	97,827	54,581	24,068	-	5914,313
113		Cash - Other Restricted	-	362,625	-	-	-	-	-	-	-	-	-	-	-	362,625
114		Cash - Tenant Security Deposits	293,871	-	-	-	-	-	-	-	-	-	-	-	-	293,871
115		Cash-Restricted for payment of Current Liabilities	-	-	-	-	-	-	-	380,721	-	-	-	-	-	380,721
100		Total Cash	5,123,944	386,876	36,803	256,350	264,104	0	-	706,978	0	97,827	54,581	24,068	-	6,951,530
121		A/R - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	0
122		A/R - HUD Other Projects	-	-	-	-	-	-	-	18,644	-	11,778	-	10,931	-	41,354
124		A/R - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	0
125		A/R - Miscellaneous	224,226	-	-	-	-	-	-	-	-	-	-	-	-	224,226
126.2		Allowance for Doubtful Accts - Other	-	2,556	-	-	-	-	-	-	-	-	-	-	-	0
127		Notes,Loans, & Mortgage Receivable - Current	-	-	-	1,852	-	-	-	237,573	-	-	1,405	-	-	2,556
128		Fraud Recovery	-	-	-	(1,498)	-	-	-	(221,663)	-	-	(368)	-	-	240,830
128.1		Allowance for Doubtful Accts - Fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	(223,529)
129		Accrued Interest Receivable	9,380	-	-	-	-	-	-	1,488	-	-	81	184	-	11,133
120		Total Receivables, net of allowances for Doubt. Accts	233,606	2,556	-	354	-	-	-	36,042	-	11,778	1,118	11,115	-	296,570
142		Prepaid Expenses & Other Assets	36,092	-	-	-	-	-	-	11,475	-	-	-	-	-	47,567
144		Interprogram Due From	1,767,730	-	-	382,786	360,000	-	233,734	-	-	-	-	-	(2,744,250)	0
150		Total Current Assets	7,161,372	389,432	36,803	256,704	624,104	0	233,734	754,495	0	109,605	55,699	35,183	(2,744,250)	7,295,667
161		Land	9,834,459	-	-	-	-	-	-	-	-	-	-	-	-	9,834,459
162		Buildings	33,601,388	-	-	-	-	-	-	-	-	-	-	-	-	33,601,388
163		Furniture, Equipment & Machinery - Dwellings	567,657	-	-	-	-	-	-	-	-	-	-	-	-	567,657
164		Furniture, Equipment & Machinery - Admin	497,432	-	-	-	-	-	-	-	-	-	-	-	-	497,432
166		Accumulated Depreciation	(12,879,070)	-	-	-	-	-	-	-	-	-	-	-	-	(12,879,070)
167		Construction in Progress	1,054,296	-	-	-	-	-	-	-	-	-	-	-	-	1,054,296
160		Total Fixed Assets, Net of Accum Depr	32,676,162	-	-	-	-	-	-	-	-	-	-	-	-	32,676,162
171		Notes,Loans, & Mortgage Receivable - Non Current	1,094,167	-	-	-	-	-	-	-	-	-	-	-	-	1,094,167
174		Other Assets	511,218	3,015	-	36,968	-	118,163	-	789,458	-	-	10,540	74,089	-	1,543,451
180		Total Non-Current Assets	33,187,380	1,097,182	36,968	-	-	118,163	-	789,458	-	-	10,540	74,089	-	35,313,780
200		Deferred Outflow of Resources	79,924	662	-	8,121	-	25,938	-	155,841	-	17,585	2,315	16,276	-	306,682
290		Total Assets	40,228,677	1,487,276	36,803	301,793	624,104	144,121	233,734	1,699,794	0	127,190	68,554	125,548	(2,744,250)	42,916,129
311		Bank Overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	0
312		Accounts Payable <90 days	266,779	-	-	0	-	396	-	12,826	-	-	79	3,808	-	283,889
321		Accrued Wages / Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	0
322		Accrued Compensated Absences	86,775	52	-	4,185	-	16,021	-	113,231	-	8,319	4,763	1,363	-	234,709
325		Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	0
331		A/P - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	18,811	-	-	18,811
341		Tenant Security Deposits	293,871	-	-	-	-	-	-	-	-	-	-	-	-	293,871
342		Unearned Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	0
343		Current Portion of Long Term Debt - Capital Projects	2,382,953	-	-	-	-	-	-	-	-	-	-	-	-	2,382,953
344		Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	0
345		Other Current Liabilities	-	-	-	-	-	-	-	393,886	-	-	-	-	-	393,886
347		Interprogram Due To	438,431	302,929	62,616	-	-	1,456,101	167,783	262,786	-	-	53,604	-	(2,744,250)	0
310		Total Current Liabilities	3,468,809	302,981	62,616	4,185	-	1,472,518	167,783	782,729	-	8,319	77,257	5,171	(2,744,250)	3,608,118

HOUSING AUTHORITY OF THURSTON COUNTY Olympia, WA													
COMBINED FINANCIAL DATA SCHEDULES													
Fiscal Year Ending June 30, 2022													
CFDA:													
Line #	Business Activities	1	2	93,958	14,879	14,218	14,228	14,267	14,239	14,871	14,110	14,896	14,856
			State & Local	Mental Health/Bk	Mainstream	CDBG	CDBG	HATS	HOME	Section 8 Voucher	HCV Cures Act Funding	FSS	Mod Rehab
				Grant (HVLAP)									
351	Long Term Debt, Net of Current - Capital Projects	11,547,415	1,499,800	-	-	-	-	-	-	-	-	-	-
352	Long-term Debt, Net of Current - Operating Borrowings					382,786	360,000		233,734				
353	Noncurrent liabilities other												
357	Accrued Pension and OPEB Liability	389,081	4,236	1,164	34,200	382,786	6,829	92,758	26,084	733,815	-	271,29	22,153
350	Total Non-Current Liabilities	11,936,496	1,464,036	1,164	34,200	382,786	366,829	92,758	259,818	733,815	-	271,29	22,153
300	Total Liabilities	15,405,305	1,767,017	63,780	38,385	382,786	366,829	1,565,276	427,601	1,516,544	-	35,448	99,410
400	Deferred Inflow of Resources	416,969	3,456	-	42,367	-	-	135,422	-	813,026	-	91,742	12,080
508.4	Investment in Capital assets, net of related debt	17,769,274		-									
511.4	Restricted Net Position	-	362,625	-	40,239	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	6,837,128	(645,823)	(26,977)	180,802	-	257,275	(1,556,576)	(193,867)	(629,775)	0	(0)	(42,936)
513	Total Equity	24,606,402	(283,198)	(26,977)	221,041	-	257,275	(1,556,576)	(193,867)	(629,775)	0	(0)	(42,936)
600	Total Liabilities, Deferred Inflows & Equity	40,228,677	1,487,276	36,803	301,793	382,786	624,104	144,121	233,734	1,699,795	0	127,190	68,554
70300	Net Tenant Rental Revenue	5,456,119	-	-	-	-	-	-	-	(0)	(0)	-	-
70400	Tenant Revenue other	101,876	-	-	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	5,557,995	-	-	-	-	-	-	-	-	-	-	-
70600-010	Housing Assistance Payments												
70600-020	Ongoing Administrative Fees Earned									16,641,060	-	249,355	16,890,415
70600-031	FSS Coordinator Grant									1,953,706	50,000	161,003	2,164,709
70600	HUD PHA Grants				1,313,596			137,293				144,790	270,031
70800	Other Government Grants			-	-								0
71100-020	Investment Income - Unrestricted-admin fee				-					4,212	-	-	791
71100	Investment Income - Unrestricted	36,844											279
71400-010	Fraud Recovery-HAP				735					9,178	-	-	-
71400-020	Fraud Recovery-Admin				445					32,321	-	-	-
71400	Fraud Recovery												-
71500	Other Revenue	11,973	92,000				67,653			76,430	-	-	-
71600	Gain or Loss on sale of fixed assets												0
72000-010	Investment Income - Restricted-HAP												0
70000	Total Revenue	5,606,811	92,000	-	1,314,776	-	67,653	137,293	-	18,716,907	50,000	144,790	270,310
													411,149
													2,681,690

HOUSING AUTHORITY OF THURSTON COUNTY  
Olympia, WACOMBINED FINANCIAL DATA SCHEDULES  
Fiscal Year Ending June 30, 2022

Line #	CFDA:	1 Business Activities	2 State & Local	93.958 Mental Health/Elk Grant (HVLAP)	14.879 Mainstream	14.218 CDBG	14.228 CDBG	14.267 HATS	14.239 HOME	14.871 Section 8 Voucher	14.1HC HCV Cares Act Funding	14.896 ROSS	14.856 Section 8 Mod Rehab	14.4HV EHV PROGRAM	Elimination	Total
91000		Administrative Salaries	250,233	4,618	-	58,532	-	188,332	-	1,147,773	15,777	-	16,535	117,920	-	1,800,221
91200		Auditing fees	210,747	-	2,066	-	-	232	-	34,423	-	-	503	-	-	31,244
91300		Outside management fees	2,221	-	-	-	-	-	-	789	-	-	-	-	-	2,107,717
91500		Advertising and Marketing	685,203	(174)	-	3,280	-	(63,888)	-	478	6,041	-	461	(1,536)	-	(93,220)
91600		Employee Benefits - Administrative	55,170	-	-	-	-	3,369	-	39,497	-	-	-	197	-	99,113
91700		Office Expense	27,500	-	-	-	-	-	-	3,580	-	-	-	-	-	31,084
91800		Legal Expense	4,415	-	-	22	-	1,364	-	3,836	-	-	12	63	-	9,712
91900		Travel	103,644	-	-	144	-	1,406	-	80,134	37	-	106	45	-	185,517
92100		Travel Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	108,985
92300		Tenant Services - Salaries	134,151	-	-	-	-	-	-	-	-	-	-	-	-	35,046
92300		Employee Benefits - Tenant Services	74,630	-	-	-	-	-	-	-	-	-	-	-	-	134,151
93200		Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	74,630
93300		Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	0
93600		Sewer	328,646	-	-	-	-	-	-	-	-	-	-	-	-	328,646
93800		Other utilities expense	198,880	-	-	-	-	2,019	-	3,874	-	-	-	-	-	204,773
94200		Ord Maint & Oper - Other	1,281,882	80,540	-	10,736	-	29,886	-	301,931	28,079	-	2,345	94,667	-	1,830,067
95300		Protective services - Other	21,953	-	-	-	-	-	-	-	-	-	-	-	-	21,953
96110		Property Insurance	159,830	-	-	-	-	-	-	-	-	-	-	-	-	159,830
96120		Workers Comp	1,727	20	-	120	-	-	-	8,951	-	-	60	-	-	9,131
96130		General Expense	38	28	-	975	-	(2,877)	-	(12,708)	-	-	412	1,364	-	11,229
96210		Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	0
96210		Bad Debt-Other	540,396	-	-	-	-	-	-	-	-	-	-	-	-	(12,768)
96710		Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	0
96730		Amortize bond costs	-	-	-	-	-	-	-	-	-	-	-	-	-	0
96800		Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	0
96900		Total Operating Expense	3,300,677	85,032	-	76,316	-	219,380	-	1,619,298	50,000	144,790	20,524	213,504	-	5,729,519
97000		Excess Operating Revenue Over Operating Expense	2,306,135	6,968	-	1,238,460	-	(82,086)	-	17,097,609	0	(0)	249,786	197,646	-	21,082,171
97200		Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	0
97300-0-10		Home Ownership	-	-	-	-	-	-	-	13,012	0	-	-	-	-	13,012
97300-0-20		Tenant Protection	-	-	-	-	-	-	-	50,734	0	-	-	-	-	50,734
97300-0-40		Port-outs	-	-	-	-	-	-	-	496,623	0	-	-	-	-	496,623
97300-0-41		FSS escrow deposits	-	-	-	-	-	-	-	188,652	-	-	-	-	-	188,652
97300-0-45		Special purpose vouchers	-	-	-	-	-	-	-	4,222,799	0	-	-	-	-	4,222,799
97300-0-49		All Other	-	-	-	-	-	-	-	11,984,080	-	-	-	-	-	11,984,080
97300		Housing Assistance Payments	-	-	-	1,181,448	-	-	-	52,589	-	-	219,148	189,380	-	1,589,976
97350		HAP - Portability In	-	-	-	-	-	-	-	-	-	-	-	-	-	0
97400		Depreciation Expense	859,008	-	-	-	-	-	-	-	-	-	-	-	-	859,008
97500		Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	0
99000		Total Expenses	4,159,685	85,032	-	1,257,764	-	219,380	-	18,627,787	50,000	144,790	239,672	402,884	-	25,186,992
10010		Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	0
10020		Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	0
10100		Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000		Excess (Deficiency) Operating Rev Over (Under) Exp	1,447,126	6,968	-	57,012	-	67,653	(82,086)	-	89,120	0	(0)	30,638	8,266	1,624,697
11020		Required Annual debt payments	882,953	-	-	-	-	-	-	-	-	-	-	-	-	882,953
11030		Beginning Equity	23,159,276	(290,166)	(26,977)	164,028	-	189,622	(1,474,490)	(193,867)	-	-	(73,574)	27,200	-	20,762,160
11040		Prior Period Adjustments, Equity Trfs & Corrects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170		Administrative Fee Equity	-	-	-	-	-	-	-	(629,775)	0	-	-	-	-	(629,775)
11180		Housing Assistance Payment Equity	6,636	-	-	40,239	-	-	-	-	-	-	-	59,975	-	100,214
11190		Unit Months Available	1,680	-	-	1,680	-	-	-	24,840	-	-	468	816	-	34,440
11210		Number of Months Leased	6,536	-	-	1,599	-	-	-	22,031	-	-	428	199	-	30,793
			24,606,402	-	-	-	-	-	-	-	-	-	-	-	-	-
			24,606,402	-	-	-	-	-	-	-	-	-	-	-	-	-

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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