



ST. LOUIS
HOUSING
AUTHORITY

Agency Plan

Annual Plan for Fiscal Year 2026

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Submitted by:

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Executive Director

July 15, 2026

Annual PHA Plan (Standard PHAs and Troubled PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 9/30/2027
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform 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-, very low-, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form. Note: PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

Definitions.

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

A.	PHA Information.
A.1	PHA Name: <u>St. Louis Housing Authority</u> PHA Code: <u>MO001</u> PHA Type: ☒ Standard PHA ☐ Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/2026</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>2732</u> Number of Housing Choice Vouchers (HCVs) <u>7504</u> Total Combined Units/Vouchers <u>10236</u> PHA Plan Submission Type: ☒ Annual Submission ☐ Revised Annual Submission Public Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. 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 and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans. How the public can access this PHA Plan: SLHA maintains relevant information regarding the Agency Plan at on its website (www.slha.org), main administrative office and at each Asset Management Developments Listed below: 1. St. Louis Housing Authority, 3520 Page Boulevard, St. Louis, MO 63106 2. Clinton-Peabody – MO001-000002 3. James House – MO001-000010 4. Euclid Plaza –MO001-000013B 5. McMillan Manor (North Side Scattered Sites) – MO001-000041,051 6. West Pine – MO001-000017 7. Parkview Apartments – MO001-000019 8. Lafayette Apartments (South Side Scattered Sites) – MO001-000038 9. Badenhaus & Badenfest – MO001-000028 10. LaSalle Park – MO001-000034 11. Cochran Plaza – MO001-000037 12. Murphy Park I, II & III – MO001-000044,045,046 13. King Louis Square I & II – MO001-000047, MO001-000049 14. Les Chateaux – MO001-000048 15. Renaissance Place at Grand I, II, & III – M036-P001-050, 057,059 16. Senior Living and Gardens at Renaissance Place – M0001-000054 and MO001-000055 17. Cahill House – MO001-000056 18. Cambridge Heights I & II – MO001-000058,060 19. Kingsbury Terrace – MO001-000061 20. Senior Living at Cambridge Heights - MO001-000062 21. Arlington Grove – MO001-000063 22. North Sarah I, II & III Apartments - MO001-000064,065, 066 23. Preservation Square I – MO001-000067 Detailed information regarding the Agency Plan components can be viewed at the SLHA website, www.slha.org. The Agency Plan and all relevant components are available for viewing by appointment only at the SLHA's Central Office, located at 3520 Page Blvd., St. Louis, MO 63106. The SLHA's Admissions and Continued Occupancy Policies can only be viewed online or by appointment. To scheduling a viewing appointment, please contact Paul Werner at (314) 286-4267 or by email at pwerner@slha.org. All resident organizations are provided a copy of the Agency Plan.

☐ **PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV

B. Plan Elements

B.1 Revision of Existing PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA?

Y N

- ☒ ☐ Statement of Housing Needs and Strategy for Addressing Housing Needs.
- ☒ ☐ Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- ☒ ☐ Financial Resources.
- ☒ ☐ Rent Determination.
- ☒ ☐ Operation and Management.
- ☐ ☒ Grievance Procedures.
- ☒ ☐ Homeownership Programs.
- ☒ ☐ Community Service and Self-Sufficiency Programs.
- ☐ ☒ Safety and Crime Prevention.
- ☐ ☒ Pet Policy.
- ☒ ☐ Asset Management.
- ☐ ☒ Substantial Deviation.
- ☐ ☒ Significant Amendment/Modification.

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):

Statement of Housing Needs and Strategy for Addressing Housing Needs.

In accordance with HUD Requirements, the PHA is required to assess the housing needs within the community as a part of its Annual Plan. Based on available data, the PHA is required to make reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The PHA to rate the impact of the following factors on the housing needs of families using a scale of 1 to 5 with 1 considered "no impact," and 5 being "severe impact." • Affordability - the impact of rent burden (i.e., rent comprising more than 30 percent of income) or severe rent burden (i.e., rent comprising more than 50 percent of income); • Supply - the impact of the shortage of units available for occupancy; • Quality - the prevalence of units in substandard physical condition; • Accessibility - the availability of units that are accessible for persons with mobility impairments; • Size - considers any mismatch between the units available and family sizes; and • Location – the extent to which the supply of units' available limits housing choices for families to particular locations, notably areas of poverty/minority concentration. SLHA's Statement of Housing needs is included on the following table: Housing Needs of Families in the Jurisdiction by Family Type. In order to maintain consistency, the same methodology was used as in prior years although the data is limited in some categories and may not reflect current market conditions. The St. Louis Housing Authority is located in a jurisdiction identified by HUD to have significant rental market fluctuations and has been approved for an increase in payment standards for Housing Choice Vouchers up to 120 percent of the FMR in accordance with PIH Notice 2022-30. In addition, the jurisdiction is currently experiencing many affordable housing challenges due to ongoing effects from COVID including but not limited to a lack of affordable units, increasing housing costs and increasing construction costs. Reference Attachment #2 - B.1 (b)

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

Reference Attachment #3 - B.1 (b)

Financial Resources.

A detailed breakdown of funding sources is provided in Attachment #4 – B.1(b), which identifies the anticipated use of Public Housing Operating Funds, Capital Funds, Housing Assistance Payments (HAP), Housing Choice Voucher (HCV) Administrative Fees (including both traditional and special voucher programs), and Service Coordinator grant funding. In addition to these core funding sources, SLHA will continue to pursue and leverage external financial

support to advance its mission and strategic priorities. This includes, but is not limited to, funding opportunities through the City of St. Louis, the State of Missouri, the U.S. Congress and federal agencies, private foundations, corporate partners, financial institutions, and other public and private financing mechanisms.

Rent Determination.

Reference Attachment #5 - B.1 (b), chart detailing the same.

Operation and Management.

Reference Attachment #6 - B.1 (b), chart detailing the same.

Homeownership Programs.

Near South Side La Saison Construction of 10 single-family homes in two Phases. Conversion of 10 lots to homeownership opportunities. Lookaway Disposition The PNA finalized in 2022 show that these properties would need \$3.1 million in capital improvements over 10 years. SLHA will consider submitting to HUD an application requesting the conversion of single-family PH units to affordable home ownership opportunities. Section 8 - Bridge to Homeownership Program Reference Attachment #7 - B.1 (b), for additional details.

Community Service and Self-Sufficiency Programs.

Reference Attachment #8 - B.1 (b), chart detailing the same.

Asset Management.

The St. Louis Housing Authority (SLHA) has developed a long-term strategy for operating and maintaining Public Housing assets, which includes self-management of developments that are one hundred percent public housing and the use of third-party management companies to manage public housing units in mixed-finance developments. SLHA utilizes property assessments to prioritize development and modernization activities. Additional details can be found on Attachment #9 - B.1 (b). SLHA will continue to pursue additional local, state and federal resources to assist with capital needs. In addition to the aforementioned capital fund planning, SLHA has received an asset repositioning strategy through a HUD funded consultant. This plan was approved by the SLHA Board of Commissioners in November 2023 and will guide the agency in executing the repositioning strategy for public housing units utilizing RAD and/or Section 18 applications.

(c) The PHA must submit its Deconcentration Policy for Field Office review.

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

Deconcentration Policy has been submitted for Field Office Review. Deconcentration of poverty and income mixing is a policy that allows PHA's to bring higher-income tenants into lower income developments and lower income tenants into higher income developments. In accordance with 24 CFR Part 903, a Deconcentration and Income Mixing Policy is required as a part of SLHA's Admissions and Continued Occupancy Policy (ACOP). SLHA's Deconcentration and Income Mixing Policy is included in Chapter 6 of the ACOP – Tenant Selection, Section 6.4. Developments subject to the deconcentration of poverty and income mixing requirements are referred to as "covered" developments". Covered developments include general occupancy (or family) public housing developments. Developments not subject to the requirement include public housing developments: • with fewer than 100 public housing units; • designated specifically for elderly and/or disabled residents; • approved for demolition or for conversion to tenant-based assistance; and • approved mixed-finance developments using HOPE VI or public housing funds. Table 2 - Average Income of Public Housing Developments includes a list of all SLHA developments, their annual income and if they are subject to the Deconcentration and Income Mixing Requirements. SLHA will determine the average income of families in all covered developments on an annual basis. SLHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85 percent to 115 percent of the average family income. The results of SLHA's analysis are summarized on Table 1 - Average Income of Families in All Covered Developments. If covered developments have an average income outside the EIR, SLHA will then determine whether or not these developments are consistent with its local goals and annual plan. If the development is not consistent with local goals and annual plan the SLHA may skip a family on the waiting list to reach another family in an effort that would further the goals of deconcentration. Reference Attachment #10 - B.1 (c) See Attachment 17

B.2 New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's applicable Fiscal Year?

Y N

☒ ☐

Choice Neighborhoods Grants.

☒ ☐

Modernization or Development.

- ☒ ☐ Demolition and/or Disposition.
- ☒ ☐ Designated Housing for Elderly and/or Disabled Families.
- ☐ ☒ Conversion of Public Housing to Tenant-Based Assistance.
- ☒ ☐ Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.
- ☒ ☐ Homeownership Program under Section 32, 9 or 8(Y)
- ☐ ☒ Occupancy by Over-Income Families.
- ☐ ☒ Occupancy by Police Officers.
- ☐ ☒ Non-Smoking Policies.
- ☒ ☐ Project-Based Vouchers.
- ☒ ☐ Units with Approved Vacancies for Modernization.
- ☒ ☐ Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the applicable Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Choice Neighborhoods Grants.

Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Planning work completed for the redevelopment in FY2023 has indicated that a comprehensive funding mechanism like Choice is critical for the success of the redevelopment. SLHA will submit a competitive Choice Neighborhood grant application for ClintonPeabody in the next funding round available. Reference Attachment #11 - B.2 (b) - New Activities Chart

Modernization or Development.

Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Community Engagement POAH was required to produce a Community Engagement Plan (CEP) to outline their community outreach efforts. POAH began engaging the community in January 2023 and has held monthly in-person community engagement planning meetings since. Residents have informed the Master Plan and have made significant contributions to the final layout. This plan was finalized in September 2023. POAH has also produced a website for the Clinton-Peabody redevelopment, posted flyers, knocked on doors, and made significant engagement efforts. Funding Opportunities POAH resubmitted a Low Income Housing Tax Credit (LIHTC) application to the Missouri Housing Development Commission (MHDC) for the first phase of redevelopment in September 2024. The application was successful and MHDC awarded POAH tax credits for the first phase which will include 89 units. Of those, 44 will be replacement housing units for ClintonPeabody residents. SLHA and POAH will continue to submit MHDC LIHTC applications for future rounds. SLHA will continue to pursue and support every reasonable funding source, including Choice Neighborhoods, available for the redevelopment of Clinton-Peabody. Reference Attachment #11 - B.2 (b) - New Activities Chart

Demolition and/or Disposition.

Vaughn Family - Warehouse Facility - MO001000006 Euclid Plaza Vacant Land - MO001000013 Clinton-Peabody Revitalization - MO001000002 Hodiament Disposition - MO001000041 Cambridge Heights Vacant Land - MO001000058/MO 01000060 Parkview Apartments - RAD/Section 18 Blend Conversion - MO001000019 Lookaway Disposition - MO001000041 California Gardens - RAD/Section 18 Blend Conversion - MO001000038 Reference Attachment #11 - B.2 (b) - New Activities Chart

Designated Housing for Elderly and/or Disabled Families.

Four (4) developments, Les Chateaux (MO001-000048) – 40 units, Senior Living at Renaissance Place (MO001-000054) – 75 units, Cahill House (MO001-000056) – 80 units and Senior Living at Cambridge Heights (MO001-000062) – 75 units are combined under one approved Designated Housing Plan. SLHA requested a two-year extension of the Designated Housing Plan and received HUD approval on June 6, 2024. SLHA is eligible to extend the plan for an additional 2-years and must receive HUD approval no later than September 5, 2026. A Designated Housing Plan was submitted to HUD on April 19, 2023 for Parkview Apartments (MO001-000190) – 295 units, to designate the development as elder-only. This plan was approved by HUD on June 15, 2023 and is in effect for five years. The plan is eligible for renewal in two-year increments after the initial approval and the request must be approved by HUD no later than June 15, 2028. Reference Attachment #11 - B.2 (b) - New Activities Chart See also Attachment #18

Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.

In 2022, HUD provided technical assistance through a firm with expertise on its asset repositioning plans. A draft report was presented to the SLHA Board of Commissioners at the January 2023 board meeting. The Asset

Repositioning Strategy was approved by the Board of Commissioners on November 15, 2023 and will be used to guide future decisions on submitting RAD applications. Parkview Apartments - RAD Conversion - MO001000019 LaSalle Park - RAD Conversion - MO001000034 West Pine Apartments - RAD/Section 18 Blend Conversion - MO001000017 King Louis Square - RAD Conversion - MO001000047 King Louis Square II - RAD Conversion - MO001000049 Murphy Park II & III - RAD/Section 18 Blend Conversion - MO001000045 & MO001000046 California Gardens - RAD/Section 18 Blend Conversion - MO001000038 Reference Attachment #11 - B.2 (b) - New Activities Chart

Homeownership Program under Section 32, 9 or 8(Y)

Near South Side La Saison Construction of 10 single-family homes in two Phases. Conversion of 10 lots to homeownership opportunities. Section 8 - Bridge to Homeownership Program. Reference Attachment #11 - B.2 (b) - New Activities Chart

Project-Based Vouchers.

SLHA has 205 Project-based units. SLHA will explore issuing an RFP to increase the number of project-based vouchers in SLHAs Housing Choice Voucher program if funding is available. Blumeyer Elderly, L.P. (Sr. Living at Renaissance) Blumeyer II Associates (The Gardens @ Renaissance) Cambridge Seniors, L.P. Carr Square Tenant Corp. Hammond Apartments, L.P. Vaughn Elderly, L.P. (Cahill House) As part of its asset repositioning strategy, SLHA will convert some or all of its public housing portfolio to RAD and/or Section 18 PBVs or PBRAs. Reference Attachment #11 - B.2 (b) - New Activities Chart

Units with Approved Vacancies for Modernization.

Several AMPs have approved vacancies for modernization, including but not limited to: Clinton-Peabody, AMP MO001000002 Parkview Apartments, AMP MO001000019 Cochran Plaza, AMP MO001000037 Southside Scattered Sites – Lafayette Townhomes, AMP MO001000038 Northside Scattered Sites – Hodiament, AMP MO001000041 Northside Scattered Sites – Lookaway, AMP MO001000041 Northside Scattered Sites – McMillan Manor I, AMP MO001000041 Northside Scattered Sites – McMillan Manor II, AMP MO001000041 Northside Scattered Sites – Page Manor, AMP MO001000041 Northside Scattered Sites – Samuel Shepard, AMP MO001000041 Northside Scattered Sites – Walnut Park, AMP MO001000041 Murphy Park, AMP MO001000044 Murphy Park II, AMP MO001000045 Murphy Park III, AMP MO001000046 King Louis III, AMP MO001000052 Renaissance Place @ Grand II, AMP MO001000057 Cambridge Heights, AMP MO001000058 Cambridge Heights II, AMP MO001000060 North Sarah, AMP MO001000064 North Sarah, AMP MO001000065 North Sarah, AMP MO001000066 See Attachment #12

Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

SLHA continues to apply for funds to address crime and drug-related activities that pose an increased threat to health and safety of residents. SLHA will continue submit a health and safety grant for safety improvements at developments throughout the SLHA portfolio. SLHA continues to apply for funds to address hazards that may linger in its housing developments including reducing potentials for carbon monoxide poisoning through the application of electric appliances and ventilation fans. SLHA will submit a Housing Related Hazards Capital Fund grant for PHA Wide units. Reference Attachment #11 - B.2 (b) - New Activities Chart

B.3 Progress Report.

Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.

Overall, SLHA has made meaningful progress in achieving its strategic goals, establishing a strong operational and programmatic foundation. Initiatives that remained in progress at the close of the plan period—primarily long-term or multi-phase efforts—have been carried forward and aligned with SLHA's next phase of strategic work. As the 2020–2025 Strategic Plan period concludes, SLHA has formally adopted and received Board approval for its 2030 Strategic Plan, which establishes the agency's forward-looking priorities and directly informs the goals and objectives outlined in this Annual Plan. The 2030 Strategic Plan builds on prior progress while aligning with HUD priorities and evolving local housing needs, with a focus on:

- Preservation and transformation of housing assets, including continued repositioning through RAD and mixed-finance strategies**
- Expansion of housing choice and access to high-opportunity areas through enhanced HCV program effectiveness**
- Pathways to homeownership and economic mobility through targeted programs and partnerships**
- Strengthened partnerships and leveraged funding to expand impact and resource availability**
- Operational excellence and accountability through continued process improvement and performance management**
- Enhanced resident services that support long-term stability and self-sufficiency**

These priorities are directly reflected in the goals and objectives presented in this Annual Plan, ensuring clear alignment between SLHA's long-term strategic vision and its near-term implementation activities. With the 2030 Strategic Plan in place,

	SLHA is well-positioned to build on its progress and deliver measurable outcomes that advance housing stability, resident success, and community impact.
B.4	Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved. See Capital Fund 5-Year Action Plan in EPIC approved by HUD on 11/21/2025.
B.5	Most Recent Fiscal Year Audit. (a) Were there any findings in the most recent FY Audit? Y ☒ N ☐ (b) If yes, please describe: 2025-001: Timely Property Inspections Condition – As part of our audit procedures, the auditor evaluated the procedures related to the property inspections of participants of the Housing Voucher Cluster required by the U.S. Department of Housing and Urban Development (HUD). During the audit, it was noted the Housing Authority failed to conduct timely inspections on 24 of the 40 voucher recipients reviewed. Cause – Due to limited inspectors available, the Housing Authority was not able to perform regular biennial inspections for all current leased units for the selected files. Management’s Response - The Housing Authority accepts the recommendation and acknowledges the excess of failed inspections discovered during the Single Audit. SLHA has initiated a comprehensive corrective action plan designed to (1) eliminate the current backlog and (2) implement sustainable controls to ensure ongoing compliance. SLHA will engage an external provider to conduct Housing Quality Standards (HQS) inspections for a temporary period of approximately three months to accelerate backlog reduction.
C.	Other Document and/or Certification Requirements.
C.1	Resident Advisory Board (RAB) Comments. (a) Did the RAB(s) have comments to the PHA Plan? Y ☐ N ☒ (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.
C.2	Certification by State or Local Officials. Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

	(a) Did the public challenge any elements of the Plan? Y ☐ N ☒ (b) If yes, include Challenged Elements.
C.5	Troubled PHA. (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y ☐ N ☐ N/A ☒ (b) If yes, please describe:

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 and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 5.64 hours 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy 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.

Form identification: *MO001-St. Louis Housing Authority Form HUD-50075-ST (Form ID - 9662) printed by Gina Bryant in HUD Secure Systems/Public Housing Portal at 07/22/2026 08:57AM EST*

St. Louis Housing Authority

FY 2026 Annual Plan

Table of Attachments**Annual PHA Plan (Standard PHAs) – HUD-50075-ST**

Attachment #1	Section A.1 – Availability of Information
Attachment #2	Section B.1 (b) – Statement of Housing Needs – Jurisdiction Needs Chart
Attachment #3	Section B.1 (b) – Deconcentration Policy and other Policies that Govern Eligibility, Selection and Admissions (Admin. Plan & ACOP matrix and HUD Income Limits and Wait List)
Attachment #4	Section B.1 (b) – Financial Resources
Attachment #5	Section B.1 (b) – Rent Determinations
Attachment #6	Section B.1 (b) – Operation & Management – Turnover Chart
Attachment #7	Section B.1 (b) – Homeownership (Reference Attachment 11– New Activities)
Attachment #8	Section B.1 (b) – Community Service and FSS Programs
Attachment #9	Section B.1 (b) – Asset Management – Long-term Planning
Attachment #10	Section B.1 (c) – Deconcentration Policy
Attachment #11	Section B.2 (b) – New Activities
Attachment #12	Section B.2 (b) – Units with Approved Vacancies for Modernization
Attachment #13	Section B.3 – Progress Report
Attachment #14	Section C.1 – Resident Advisory Board (RAB) Comments
Attachment #15	Section C.2 – Certification by State or Local Officials - HUD-50077-SL
Attachment #16	Section C.3 a – Civil Rights Certification / Certification of Compliance - HUD-50077-ST-HCV-HP

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #1

Section A.1 – PHA Information

Availability of Information

SLHA maintains relevant information regarding the Agency Plan at on its website (www.slha.org), main administrative office and at each Asset Management Developments Listed Below:

1. St. Louis Housing Authority, 3520 Page Boulevard, St. Louis, MO 63106
2. Clinton-Peabody – MO001-000002, 1401 LaSalle Street, St. Louis, MO 63104
3. James House – MO001-000010, 4310 St. Ferdinand, St. Louis, MO 63113
4. Euclid Plaza –MO001-000013B, 5310 N. Euclid, St. Louis, MO 63115
5. McMillan Manor (North Side Scattered Sites) – MO001-000041,051
1007 N. Taylor, St. Louis, MO 63108
6. West Pine – MO001-000017, 4490 West Pine, St. Louis, MO 63108
7. Parkview Apartments – MO001-000019, 4451 Forest Park, St. Louis, MO 63108
8. Lafayette Apartments (South Side Scattered Sites) – MO001-000038
3447 Lafayette, St. Louis, MO 63104
9. Badenhause & Badenfest – MO001-000028, 8450 Gast Place, St. Louis, MO 63147
10. LaSalle Park – MO001-000034, 1001 Hickory, St. Louis, MO 63104
11. Cochran Plaza – MO001-000037, 1420 N. 10th Street, St. Louis, MO 63106
12. Murphy Park I, II & III – MO001-000044,045,046
1920 Cass Avenue, St. Louis, MO 63106
13. King Louis Square I & II – MO001-000047, MO001-000049 1524 S. 13th Street, St. Louis, MO
63104
14. Les Chateaux – MO001-000048, 1330 Chouteau, St. Louis, MO 63103
15. Renaissance Place at Grand I, II, & III – M036-P001-050, 057,059
1001 N. Compton, St. Louis, MO 63106
16. Senior Living and Gardens at Renaissance Place – M0001-000054 and MO001-000055
3217 Martin Luther King Dr., St. Louis, MO 63106
17. Cahill House – MO001-000056, 1919 O’Fallon Place, St. Louis, MO 63106
18. Cambridge Heights I & II – MO001-000058,060, 703 O’Fallon, St. Louis, MO 63106
19. Kingsbury Terrace – MO001-000061, 5655 Kingsbury, St. Louis, MO 63112
20. Senior Living at Cambridge Heights - MO001-000062, 728 Biddle, St. Louis, MO 63106
21. Arlington Grove – MO001-000063, 5547 Dr. Martin Luther King, St. Louis, MO 63112
22. North Sarah I, II & III Apartments - MO001-000064,065, 066
1024 North Sarah, St. Louis, MO 63113
23. Preservation Square I – MO001-000067, 1406 N. 16th Street, St. Louis MO 63106

Detailed information regarding the Agency Plan components can be viewed at the SLHA website, www.slha.org. The Agency Plan and all relevant components are available for **viewing by appointment only** at the SLHA’s Central Office, located at 3520 Page Blvd., St. Louis, MO 63106. The SLHA’s Admissions and Continued Occupancy Policies can only be viewed online or by appointment. To scheduling a viewing appointment, please contact Paul Werner at (314) 286-4267 or by email at pwerner@slha.org.

All resident organizations are provided a copy of the Agency Plan.

ATTACHMENT #2

Section B.1 (b) – PHA Plan Update – Plan Elements Revised

Item 1 – Statement of Housing Needs

In accordance with HUD Requirements, the PHA is required to assess the housing needs within the community as a part of its Annual Plan. Based on available data, the PHA is required to make reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The PHA to rate the impact of the following factors on the housing needs of families using a scale of 1 to 5 with 1 considered “no impact,” and 5 being “severe impact.”

- **Affordability** - the impact of rent burden (i.e., rent comprising more than 30 percent of income) or severe rent burden (i.e., rent comprising more than 50 percent of income);
- **Supply** - the impact of the shortage of units available for occupancy;
- **Quality** - the prevalence of units in substandard physical condition;
- **Accessibility** - the availability of units that are accessible for persons with mobility impairments;
- **Size** - considers any mismatch between the units available and family sizes; and
- **Location** – the extent to which the supply of units’ available limits housing choices for families to particular locations, notably areas of poverty/minority concentration.

SLHA’s Statement of Housing needs is included on the following table: *Housing Needs of Families in the Jurisdiction by Family Type*. In order to maintain consistency, the same methodology was used as in prior years although the data is limited in some categories and may not reflect current market conditions. The St. Louis Housing Authority is located in a jurisdiction identified by HUD to have significant rental market fluctuations and has been approved for an increase in payment standards for Housing Choice Vouchers up to 120 percent of the FMR in accordance with PIH Notice 2022-30. In addition, the jurisdiction is currently experiencing many affordable housing challenges due to ongoing effects from COVID including but not limited to a lack of affordable units, increasing housing costs and increasing construction costs.

Housing Needs of Families in the Jurisdiction by Family Type

Family Type	Overall	Affordability	Supply	Quality*	Accessibility	Size	Location
Income <= 30% of HAMFI	32,865	4	*	4	*	*	*
Income >30.1% but <=50% of HAMFI	20,285	3	*	3	*	*	*
Income >50.1% but <80% of HAMFI	26,845	2	*	2	*	*	*
Elderly	35,175	2	*	2	*	*	*
Population with Disabilities	94,000	*	*	3	*	*	*
Caucasian, Non-Hispanic	67,925	2	*	1	*	*	3
African American, Non-Hispanic	61,680	3	*	2	*	*	5
Asian or Pacific Islander, Non-Hispanic	3,880	3	*	2	*	*	4
Hispanic	4,274	3	*	2	*	*	4
Other, Non-Hispanic	2,045	3	*	2	*	*	*

Notes: Numbers reflect population or households, renters and homeowners; Elderly = 62+; Grading was established such that 1=0-20%, 2=20.1-40%, 3=40.1-60%, 4=60.1-80%, 5=80.1-100%; Data taken from AFFH version 0006, Map 6, "housing problems" tables 1, 9 & 12 and CHAS data2018-2022, tables 5, 6, 7, 9, & summary table.

*There is no data available to make determinations in the indicated categories.

ATTACHMENT #3

Section B.1 (b) – PHA Plan Update – Plan Elements Revised

Item 2 – Deconcentration and Other Policies that Govern Eligibility, Selection & Admissions

Administrative Plan (Section 8 Housing Choice Program) - Changes

Admissions and Continued Occupancy Policy (ACOP) – Matrix of Changes

- Section 8/Housing Choice Voucher Program: *Revisions since last Annual Plan Submission:*

Administrative Plan

No revisions were made since the last Annual Plan Submission.

- Public Housing: St. Louis Housing Authority’s Admissions and Continued Occupancy Policy (ACOP) contains the provisions for Eligibility, Selection and Admissions Policies, including Deconcentration, and Wait List Procedures for Public Housing Residents. *Revisions since last Annual Plan Submission:*

Admissions and Continued Occupancy Policy (ACOP)

Revisions to the ACOP, a component of the Agency Plan, have been made and therefore, are subject to public review and comment. The ACOP comment period is concurrently with this plan. The ACOP is under a separate cover and not an attachment to this plan update.

Revisions to the ACOP – Matrix provides summary of changes (Attachment 3A).

Income Limits Chart: (ACOP Appendix #2) - HUD annually revises the Income Limits to adjust to the average median income levels (Attachment 3B).

Flat Rent Comparables: (ACOP Appendix #3) – SLHA annually revises the Flat Rent Comparables to adjust rent limits comparable to local area rents (Attachment 3C). (Reference Attachment 5).

HUD PIH Notice PIH 2023-27 (Revision 3)

Implementation of Sections 102 and 104 of the Housing Opportunity through the Modernization Act of 2016 (HOTMA) - (Attachment 3D).

Site Based Waiting Lists: Currently, SLHA has 25 site-based waiting lists. SLHA plans to merge the waiting list for Armand and Ohio (MO00100038) with the larger Southside Scattered Sites Waiting List (MO00100038). All Armand and Ohio applicants will be contacted and once the list is exhausted it will not be reopened. Going forward, all new applicants will be pulled from the Southside Scattered Sites waiting list. Once this process has been completed, SLHA will have 24 site-based waiting lists.

Waiting Lists Openings: - In FY 2026, SLHA only anticipates opening Waiting Lists for its senior-only (age 62+) properties. Reference attached table containing all Waiting Lists by Locations (Attachment 3E).

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

Chapter	Current	Change/Addition/Comment
ACOP APPENDIX 2 Income Limits		SEE ATTACHMENT
ACOP APPENDIX 3 Flat Rent Schedule		SEE ATTACHMENT
CHAPTER 11 Income Determination 11.6 Earned Income Disallowance	EID is only available to families that are eligible for and already participating in the program as of January 1, 2021. After January 1, 2021, eligible families may continue to receive the benefits of EID until their 12-month period has expired. Effective January 1, 2026 no families will receive the EID benefit.	REVISE SECTION SLHA has discontinued the enrollment of new EID participants. EID is only available to families that are eligible for and already participating in the program as of January 1, 2021. After January 1, 2021, only families active in the program prior to the statutory cutoff may complete their individual 24-month lifetime cap.
CHAPTER 11 Income Determination		Chapter will be updated to reflect changes from HUD NOTICE PIH 2023-27 (Revision 3).

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

CHAPTER 12 Verifying Income		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 13 Adjustments to Annual Income		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 20 Rexaminations		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 20 Rexaminations 20.1 Overview		ADD TO CURRENT SECTION In compliance with <i>Notice PIH 2026-15</i> , full system enforcement for standard transactions applies to all actions effective January 1, 2027, with local operational workflows and software configurations going live in September 2026 to capture those cycles.

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

CHAPTER 20 Rexaminations 20.4.2 Changes in Family and Household Composition		ADD TO CURRENT SECTION Interim reexamination is mandated for any household addition or removal, including family members, foster adults, foster children, and live-in aides, regardless if the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income. When conducting an interim reexamination, increases in earned income will not be considered outside of the exceptions specified in Notice PIH 2023-27 (Revision 3).
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St. Louis Housing Authority
INCOME LIMITS

FY 2026 Income Limits
Median Family Income \$113,500

No. of Persons	1	2	3	4	5	6	7	8	9	10	11	12
Extremely Low Income (30%) Limit	\$23,850	\$27,250	\$30,650	\$34,050	\$38,680	\$44,360	\$50,040	\$55,720	\$47,700	\$50,400	\$53,150	\$55,850
Very Low (50%) Income Limit	\$39,750	\$45,400	\$51,100	\$56,750	\$61,300	\$65,850	\$70,400	\$74,950	\$79,450	\$84,000	\$88,550	\$93,100
Low (80%) Income Limit	\$63,600	\$72,650	\$81,750	\$90,800	\$98,100	\$105,350	\$112,600	\$119,900	\$127,150	\$134,400	\$141,650	\$148,950
Over-Income (120%) Income Limit	\$95,400	\$108,960	\$122,640	\$136,200	\$147,120	\$158,040	\$168,960	\$179,880	\$190,680	\$201,600	\$212,520	\$223,440

NOTE: The above income limits are effective as of May 1, 2026 and subject to change as HUD generally revises these limits annually.

The latest and most recent annual income limits as established and approved by HUD shall be applicable and are automatically incorporated into and made a part of this policy as of the effective date of the newly established income limits as set forth and approved by HUD. As Income Limits are revised and modified by HUD and adopted by the SLHA Board of Commissioners through board resolution, they will be posted at each development.

ATTACHMENT #3C

Section B.1 (b) – PHA Plan Update – Plan Elements Revised

Item 2 – Deconcentration and Other Policies that Govern Eligibility, Selection & Admissions

Administration Plan (Section 8 Housing Choice Program) - Changes

Admissions and Continued Occupancy Policy (ACOP) – Matrix of Changes

Flat Rent Comparables (ACOP Appendix #3) – SLHA annually revises the Flat Rent Comparables to adjust rent limits comparable to local area rents. (Attachment 5)

REFERENCE ATTACHMENT 5



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Housing Office of Public and Indian Housing

Special Attention of:

Multifamily Asset Management Division
Directors
Multifamily Contract Administrators
Multifamily Project Owners
Multifamily Regional Center Directors
Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
Resident Management Corporations

Notice H 2023-10**Notice PIH 2023-27 (Revision 3)****Issued:** April 16, 2026

This notice was originally issued September 29, 2023 and reissued February 2, 2024.

Expires: This notice remains in effect until amended, superseded, or rescinded.

Cross References:

Regulations: 24 CFR Parts 5, 882, 891, 960, 966, 982

Office of Housing Notices: H 2020-06; H 2019-06; H 2016-01; H 2015-12; H 2025-07

Office of Public and Indian Housing Notices: PIH 2019-09; PIH 2017-05; PIH 2016-05; PIH 2015-21; PIH 2013-04; PIH 2012-29; PIH 2012-03; PIH 2012-1; PIH 2024-38

Joint Notices: 71 FR 18146

Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA), Revision 3

1. PURPOSE

The purpose of this notice is to provide guidance to Public Housing Agencies (PHAs) and Multifamily Housing (MFH) Owners on the implementation of the many program changes brought about by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) sections 102 and 104 and detailed in the final rule published in *Federal Register* Notice 88 FR 9600 on February 14, 2023. Although the final rule addresses sections 102, 103, and 104, this notice addresses guidance for sections 102 and 104 only.¹

Through this notice, HUD is also modernizing its documentation requirements to reduce the burden on families accessing housing assistance in support of Office of Management and Budget (OMB) Memo M-22-10, *Improving Access to Public Benefits Programs Through the Paperwork Reduction Act*.

¹ The Office of Public and Indian Housing (PIH) published a separate notice on section 103 of HOTMA. See *Supplemental Guidance for Implementation of Section 103; Limitation on Public Housing Tenancy for Over-Income Families under the Housing Opportunity Through Modernization Act of 2016 (HOTMA)* (Notice PIH 2023-03 (HA)).

2. BACKGROUND

HOTMA was signed into law on July 29, 2016 (Public Law 114–201, 130 Stat. 782). The HOTMA statute consists of 14 sections of law that affect the Public Housing and Section 8 rental assistance programs. On September 17, 2019, HUD issued a proposed rule to update its regulations according to HOTMA’s statutory mandate. The proposed rule may be found at 84 FR 48820 (September 17, 2019).

Sections 102 and 104 of HOTMA make sweeping changes to the United States Housing Act of 1937 (1937 Act), particularly those affecting income calculations and reviews.

Section 102 changes requirements related to income reviews for Public Housing and Section 8 programs. **Section 104** sets maximum asset limits for Public Housing and Section 8 applicants and participants.

Section 102 of HOTMA applies to all PHAs operating a Housing Choice Voucher (HCV) (including Project-Based Vouchers), Public Housing; Section 8 Moderate Rehabilitation, or Section 8 Moderate Rehabilitation Single Room Occupancy (SRO), including Moving to Work (MTW) Agencies (see Section 4 (Notice Applicability) of this notice). Section 102 also applies to the following programs administered by MFH: Section 8 Project-Based Rental Assistance (PBRA), 202/8, 202/162 Project Assistance Contract (202/162 PAC), Section 202/811 Capital Advance with Project Rental Assistance Contract (202/811 PRAC), non-insured 236 projects with Interest Reduction Payments (236 IRP), Section 811 Project Rental Assistance Demonstration (811 PRA), and Senior Preservation Rental Assistance Contracts (SPRAC).² Section 102 is effective on January 1, 2024.

Section 104 of HOTMA applies to all PHAs operating an HCV, Public Housing, Section 8 Moderate Rehabilitation, or Section 8 Moderate Rehabilitation SRO program, including MTW Agencies (see Section 4 (Notice Applicability) of this notice). Section 104 also applies to the following programs: Section 8 PBRA and 202/8. Section 104 does not apply to following programs: 202/811 PRAC, 236 IRP, 811 PRA, 202/162 PAC, and SPRAC. Section 104 is effective on January 1, 2024.

HUD, through rulemaking,³ implemented sections 102 and 104 through several changes to the following Public Housing and Section 8 regulations:

- 24 CFR Part 5: General HUD Program Requirements; Waivers
- 24 CFR Part 882: Section 8 Moderate Rehabilitation Programs
- 24 CFR Part 960: Admission to, and Occupancy of, Public Housing
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program

²HUD administratively extended the applicability of Section 102 of HOTMA to the following programs: 202/162, 202/811 PRAC, 811 PRA, and SPRAC.

³ *Federal Register*: Housing Opportunity Through Modernization Act of 2016: Implementation of Sections 102, 103, and 104.

HUD also made conforming changes to its regulations found in 24 CFR Part 891, which govern the Section 202 and 811 Capital Advance programs and the Section 202 Direct Loan program (202/8). These programs are affected by various changes to the income regulatory provisions in 24 CFR Part 5. HUD, in error, did not make conforming changes to certain Section 202 Direct Loan regulations, consistent with the HOTMA final rule, in 24 CFR Part 891, Subpart E, including 891.655, 891.740, and 891.750, which govern 202/162 PAC projects. HUD published conforming changes to the Section 202/162 PAC program regulations as a technical correction that will become effective on January 1, 2024.⁴ The revised Section 202 Direct Loan regulatory references in this notice will become effective with the effective date of the forthcoming technical correction.

Note: The final rule does not otherwise revise or modify any other federal laws or regulations. PHAs/MFH Owners must continue to follow all laws and regulations as codified in statute and in the Code of Federal Regulations.

2.1 Technical Corrections and Clarifications

Changes Made on February 2, 2024:

HUD has updated Attachment A to address the asset limitation found in Section 104 of HOTMA, and replaced the previous Attachment A that included placeholder language. In addition, HUD has made several technical corrections and added clarifying language throughout the notice, based on feedback from stakeholders and further analysis of the HOTMA Income and Assets Final Rule and related laws and regulations. These changes from the previous version of the notice published on September 29, 2023, are listed here as follows:

- Throughout the notice, HUD has added both the references to the 202/162 PAC program and the program's regulations as the conforming changes to the program were issued through the following *Federal Register* notice:
<https://www.federalregister.gov/documents/2023/11/02/2023-24236/section-202-direct-loan-technical-amendments>.
- In Attachment B, subtopic B.2, HUD added clarifying language on the three-step process for calculating income, specifically for Step 2, adding that the PHA/MFH Owner may use the verification obtained during an interim reexamination for an annual reexamination if there have been no other changes to annual income since the interim reexamination. In Step 3, HUD replaced the word "paycheck" with "pay stub." In the example B1, HUD changed the SSA COLA amount to the actual 2024 COLA amount of 3.2 percent. In the example B3, HUD changed "four current and consecutive paystubs" to "two current and consecutive paystubs." In example B4, HUD changed the COLA amount to 3.2 percent and adjusted the calculations.
- In Attachment C, subtopic C.2, HUD clarified that while the elderly/disabled family deduction is effective on January 1, 2024, PHAs/MFH Owners will apply the new deduction amount to a family's next annual or interim reexamination, whichever is sooner, following the date on which the PHA/MFH Owner implements the new elderly/disabled family deduction.

⁴[Federal Register :: Public Inspection: Direct Loan Technical Amendments](#).

- In Attachment C, subtopic C.4.a, HUD clarified that the phased-in relief for the health and medical care expenses deduction will not start until after the PHA/MFH Owner implements the phased-in relief. Likewise, in the Phased-in Relief Timing Table (Table C1), HUD replaced the date of January 1, 2024, with the date on which the PHA/MFH Owner implements the phased-in relief.
- In Attachment C, subtopic C.5, HUD edited the phrase “age 12 and younger” to “under 13 years of age,” to align with HUD’s definition of “child-care expenses” in 24 CFR 5.603. HUD also clarified in this subsection that the amount of child-care expenses (not the expenses incurred to enable a family member to work) deducted from annual income must not exceed the amount of employment income that is included in annual income.
- In Attachment C, subtopic C.6.b, HUD edited the date by which PHAs/MFH Owners are encouraged to communicate the new hardship exemptions to applicants and families, replacing January 1, 2024, with the date on which the PHA/MFH Owner begins to comply with HOTMA.
- In Attachment C, subtopic C.7, HUD added another example of a permissive deduction that PHAs may choose to establish, which is the amount paid from a family’s annual income, and not another source such as Medicaid or a child welfare agency, for unreimbursed health or medical expenses of a foster child or a foster adult. In Attachment E, subtopic E.2, HUD clarified that PHAs may establish a permissive deduction to allow the unreimbursed health and medical expenses paid by the family on behalf of foster children and adults to be deducted from annual income.
- In Attachment F, subtopic F.1, HUD added clarifying language to address how PHAs/MFH owners must consider garnished, levied, or withheld wages or benefits.
- In Attachment F, subtopic F.4.e, HUD updated the method for subtracting federal tax refunds and refundable tax credits from assets to accurately reflect the statutory and regulatory requirements of HOTMA. Previously, the notice stated that the tax refund was to be subtracted from the asset account into which the tax refund amount was deposited. To align with HOTMA, the tax refund must instead be subtracted from the total value of net family assets. HUD deleted the reference to a tax refund or refundable tax credit that is deposited into an excluded asset, as this is incorrect. The tax refund/credit amount must be subtracted from total net family assets, regardless of where the amount is deposited. In example F2, HUD clarified that the Rodriguez family owns a total of \$10,000 of net family assets.
- In Attachment F, subtopic F.5, with regard to the start date for using the HUD-published passbook rate, HUD updated the date of January 1, 2024, with the date on which the PHA/MFH Owner implements the new passbook rate, and added clarifying language on PHA flexibility around passbook rates up until they implement the new passbook rate.
- In Attachment F, subtopic F.6.b, HUD added clarifying language on how PHAs/MFH Owners are to impute asset income using the HUD-published passbook rate.

- In Attachment G, subtopic G.1.f, HUD clarified that non-recurring, non-monetary in-kind donations from friends and family may be excluded as non-recurring income.
- In Attachment G, subtopic G.6, HUD clarified that workers' compensation payments, regardless of the length or frequency of the payments, are always excluded from annual income. HUD updated example G6 to reflect this clarification.
- In Attachment G, subtopic G.16.d, HUD corrected the example reference to example G13, and reversed the wording on the process for calculating the excess amount of student financial assistance to include in annual income. The previous one-step process, as described, was incorrect. This error was also corrected in Chart G2.
- In Attachment I, subtopic I.2, HUD clarified in the PHA/MFH Owner discretion section that PHAs/MFH Owners have discretion on whether to process earned income increases only if there has been a previous interim decrease since the last annual reexamination. In Attachment J, subtopic J.1, HUD added a clarifying footnote (J1) to reduce confusion about the Form HUD-9886/HUD-9887 requirements for family members who become a head of household, co-head, or spouse.
- In Attachment J, Table J1, HUD added instructions on the use of EIV for new admissions in the row on Income Information for PIH Programs and Income Report for MFH Programs. HUD also added a footnote reminding PHAs/MFH Owners that they must rely on other documents to verify families' reported income before admission.
- In Attachment J, Table J2, Level 6, HUD clarified that PHAs/MFH Owners must pull the EIV Income Report for each family at every Annual Reexamination, unless using Safe Harbor documentation to verify the family's income. HUD also added to the Level 1 row that self-certification may be used as the highest form of verification when the family reports zero income.
- In Attachment J, subtopic J.5.a, HUD clarified that PHAs/MFH Owners are required to obtain a minimum of two current and consecutive pay stubs for determining projected annual income from wages when they are relying on pay stubs for Level 4 documentation.
- HUD renamed subtopic J.8 in Attachment J to "Zero Income Procedures" and updated this section to include guidance to PHAs/MFH Owners on accepting families' self-certifications of zero income at admission and reexamination without taking further steps to verify the zero reported income.
- HUD added the Appendix: Sample Net Family Assets Self-Certification Form.

Changes Made on April 16, 2026:

- In Section 4, HUD clarified that this notice is applicable to non-insured 236 projects with Interest Reduction Payments (236 IRP) or an active 236 IRP Use Agreement.
- HUD replaced Section 6.1 to point readers to Notice PIH 2024-38. HUD revised the compliance deadline in Section 6.2 to reflect [Notice H 2025-07](#) and Notice H 2024-04.

- In Section 7.2, HUD clarified that Notice PIH 2018-24 remains useful guidance and enumerated specific provisions that are rescinded.
- In Attachment C, HUD corrected a typo in example C1 to clarify that families receiving the phased-in relief use a 5% threshold in the first year.
- In Attachment G.16.d, subtopic, HUD corrected example G15 to reflect that loan programs cited in the Higher Education Act of 1965 (the Perkins, Stafford, and Plus loans) are not included in the term “financial assistance” in determining student eligibility for Section 8 assistance, in line with Federal Register Notice 71 FR 18146.
- Attachment I, subtopic I.3 has been added to revise the policy that requires use of a lower threshold to process interim reexaminations under certain circumstances. HUD is requiring PHAs/MFH Owners to apply a 0-percent threshold and process an interim reexamination when someone is added to or removed from a household, whether that results in a decrease, increase, or no change in adjusted income.

3. BURDEN REDUCTION AND PROGRAM ALIGNMENT

OMB Memo M-22-10, *Improving Access to Public Benefits Programs Through the Paperwork Reduction Act*, challenges federal agencies to review documentation requirements for those accessing public benefits programs like HUD’s rental assistance programs. Through the process of implementing HOTMA, HUD has reviewed its verification and documentation requirements for admission and continued occupancy, including the use of HUD’s Enterprise Income Verification (EIV) system in the Public Housing, Housing Choice Voucher, and the Multifamily Housing programs listed above. These programs share regulatory language around the requirement to obtain third-party verification of family annual income, the value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income (§§ 5.659(d), 960.259(c), 982.516(a)(2)).

Through this notice, HUD is aligning the timeframes within which documentation must be dated and the breadth of documentation required to verify tenant bank accounts and employment income across PIH and MFH programs. Consistency among HUD’s programs will reduce burden among tenants who move from one program to another and among entities that administer multiple HUD programs.

4. NOTICE APPLICABILITY

HOTMA updates and creates new rules for programs administered by the Office of Public and Indian Housing (PIH) (HCV [including Project-Based Vouchers], Moderate Rehabilitation, Moderate Rehabilitation SRO, Public Housing), and programs administered by the Office of Multifamily Housing (MFH) (Section 8 PBRA, 202/8, 202/162 PAC, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC). HUD’s revisions to the Part 5 income regulations also affect certain programs administered by the Office of Community Planning and Development (CPD).⁵ HUD reminds PHAs/MFH Owners that

⁵ CPD will issue separate guidance on how HOTMA impacts its programs.

they are required to meet all program requirements on rental units assisted and/or developed by multiple HUD programs.

This notice applies only to the following programs:

- Housing Choice Voucher (HCV);
- Public Housing;
- Section 8 Moderate Rehabilitation (Mod Rehab);
- Section 8 Moderate Rehabilitation Single Room Occupancy (SRO);
- Section 8 Project-Based Rental Assistance (PBRA);
- Section 202/8 (202/8);
- Section 202/162 Project Assistance Contract (202/162 PAC);
- Section 202/811 Capital Advance with Project Rental Assistance Contracts (202/811 PRAC);
- Non-insured 236 projects with Interest Reduction Payments (236 IRP) or active 236 IRP Use Agreement;
- Section 811 Project Rental Assistance (811 PRA); and
- Senior Preservation Rental Assistance Contracts (SPRAC).

The contents of this notice apply to PHAs participating in the MTW program except where an approved MTW waiver is in place. For example, MTW PHAs that have previously developed a different method of measuring prior-year income as part of the Rent Reform Demonstration or Stepped and Tiered Rent Demonstration may continue to use those methods after this notice takes effect. References to form HUD–50058 in this notice take on the meaning of form HUD–50058 MTW for MTW PHAs and form HUD–50058 MTW Expansion for MTW Expansion PHAs.

5. STRUCTURE OF THIS PUBLICATION

This notice is organized by distinct topic areas to assist PHAs/MFH Owners in identifying programmatic changes that affect their operations. Each topic area is presented as an attachment to the notice. Each attachment follows a uniform structure:

- Regulation(s)
- Affected Program(s)
- Summary of Change(s)
- Subtopics

Within each topic area, and in some cases within subtopic areas, the notice indicates whether PHAs/MFH Owners have discretion in establishing policies within their individual programs.

6. EFFECTIVE DATE, COMPLIANCE, AND UPDATES TO PHA/MFH OWNER POLICIES

The final rule's effective date is January 1, 2024. HUD recognizes, however, that HOTMA includes significant program and systems changes and that PHAs/MFH Owners and families need time to understand the changes and implement them. HUD understands that the system development timeframes for the Housing Information Portal (HIP) and Tenant Rental Assistance Certification System (TRACS) make full implementation and compliance with the final rule by the January 1, 2024, deadline unlikely. Additionally, because these HOTMA changes apply to all current participants and new admissions, implementation of the HOTMA final rule cannot be achieved immediately on a universal basis but rather is an ongoing process that will happen over the course of a year as routine program activities occur. Subparagraphs 6.1 and 6.2 describe HUD's implementation requirements by program office.

6.1 Compliance Date and Required Actions for PHAs (Office of Public and Indian Housing)

PHAs should consult [Notice PIH 2024-38](#) for guidance on HUD's enforcement of PHA compliance with Sections 102 and 104 of HOTMA.

6.2 Compliance Date and Required Actions for MFH Owners (Office of Multifamily Housing)

By May 31, 2024:

- By May 31, 2024, MFH Owners must update their Tenant Selection Plans and EIV policies and procedures to reflect HOTMA rules and discretionary policies.
- MFH Owners must make the revised Tenant Selection Plan publicly available.

Note: MFH Owners must continue to follow their existing Tenant Selection Plans and EIV policies & procedures until the MFH Owner's software is compliant with TRACS 203A.

What MFH Owners must do once their software is HOTMA compliant:

Once a MFH Owner's software is HOTMA compliant (i.e., TRACS 203A system requirements have been fully implemented), the following things must happen:

- MFH Owners must provide tenants at least 60 days' notice that their lease will be modified at the end of the lease term after the expiration of the 60 days' notice. Once proper notice is given, MFH Owners must begin using the revised Model Leases at the expiration of a family's lease term.
- MFH Owners must implement their revised Tenant Selection Plans and EIV policies and procedures.
- All tenant data submissions must comply with the HOTMA regulations. Prior to their first reexaminations under HOTMA, MFH Owners must inform families that their income determinations will be conducted in accordance with the HOTMA final rule. As a best practice, HUD recommends that MFH Owners describe to families how their income determinations will change with the implementation of the final rule.

- MFH Owners must use the revised Tenant Consent form (form HUD–9887/9887A) and Fact Sheets (“How Your Rent is Determined”).

How HUD will monitor MFH Owner compliance prior to January 1, 2027:

Prior to January 1, 2027, MFH Owners will not be penalized for HOTMA-related tenant file errors during Management and Occupancy Reviews (MORs). Instead, the Contract Administrator will issue observations with corrective actions.

By January 1, 2027:

Full compliance with the HOTMA final rule is mandatory effective January 1, 2027.

How HUD will monitor owner compliance on or after January 1, 2027:

- Contractor Administrators will issue HOTMA-related findings during MORs.
- MFH Owners must correct all HOTMA-related observations that were issued by Contract Administrators prior to January 1, 2027.
- MFH Owners who fail to implement HOTMA may be found in default of their business agreements with HUD.

Questions about compliance should be directed to MFH_HOTMA@hud.gov.

MFH Model Leases

MFH is updating the three program Model Leases to conform to the requirements in the HOTMA final rule. MFH Owners must begin using the new HUD-approved leases once HOTMA is fully implemented at the property.

The following information outlines the process that MFH Owners must follow to renew families under the applicable revised Model Lease:

- **Any modification to the lease may be effective only at the end of a lease term for all MFH programs.** Lease terms are currently listed in paragraph 2 in form HUD–90105–A (Section 8 Model Lease); paragraphs 1 and 9 in form HUD–90105–B (202/8 Model Lease); paragraphs 1 and 8 in form HUD–90105–C (202 PRAC Model Lease); paragraphs 1 and 8 in form HUD–90105–D (811 PRAC Model Lease); and paragraphs 1 and 8 in form HUD–92236 (811 PRA Model Lease).
- MFH Owners must provide families with copies of the new HUD-approved lease at least 60 days prior to the end of a family’s lease term.
- MFH Owners must include a letter clearly stating that the family can either accept the modification or move, but that a response is due from the family within 30 days.
- Families must either accept the modification by signing both copies of the modification and returning one to the MFH Owner⁶ or refuse the modification and give the owner a 30-day notice of intent to vacate.

⁶ Electronic signature is acceptable pursuant to Notice H 2020–10, except where not permitted by state and/or local laws.

- If, within 30 days, the family indicates that the modification is unacceptable or does not respond, the MFH Owner may begin the procedures for terminating tenancy.

The lease modification notice must be served to families in the following manner⁷:

- 1) The MFH Owner must send a letter by first-class mail, properly stamped, and addressed and including a return address, to the family at the unit address; **and**
- 2) The MFH Owner must deliver a copy of the notice to any adult person answering the door at the unit. If no adult answers the door, the person serving the notice may place it under or through the door or affix it to the door.

The date on which the notice is deemed received by the family is the later of:

- 1) The date the first-class letter is mailed; or
- 2) The date the notice is properly given.

Service of the notice is deemed effective once the notice has been both mailed and hand-delivered. **MFH Owners are not permitted to deliver lease modification notices to families electronically.**

Families who are under old leases after the MFH Owner becomes compliant with HOTMA must continue to report income and household composition changes between annual reexaminations in accordance with their existing leases until they sign a revised lease. MFH Owners will be required to determine whether changes reported by families under the old lease will require an interim reexamination consistent with HOTMA's requirements. Since the remaining provisions reflect changes to existing regulatory provisions during the period of an existing lease, all other HOTMA final rule provisions can be implemented without the family's execution of a revised lease.

No other modifications may be made to the Model Leases without HUD's approval. MFH Owners may incorporate existing HUD-approved lease addenda into the revised Model Leases if the addenda do not conflict with the requirements of the final rule.

7. SUPERSEDED AND RESCINDED NOTICES

7.1 Guidebooks and Handbooks

This notice supersedes relevant portions of HUD's guidance as provided in the HCV Guidebook, the Public Housing Occupancy Program Guidebook, and the HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs. HUD will update and replace all the sections and chapters listed below. Before consulting one of these resources, please ensure you are using a version dated after the publication date of this notice. Questions regarding the relevancy of existing handbook/guidebook guidance should be directed to the HOTMA mailbox maintained by each program office.

HCV Guidebook chapters to be updated:

- Eligibility Determination and Denial of Assistance

⁷ 24 CFR § 247.4(b), as applicable to 24 §§ CFR 891.430(b), 891.630(b), and 891.770(b).

- Reexaminations

Public Housing Occupancy Guidebook chapters to be updated:

- Eligibility Determination and Denial of Assistance
- Income Determination
- Reexaminations

HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs chapters to be updated:

- Chapter 3. Eligibility for Assistance and Occupancy
- Chapter 4. Waiting List and Tenant Selection
- Chapter 5. Determining Income and Calculating Rent
- Chapter 7. Recertification, Unit Transfers, and Gross Rent Changes
- Chapter 9: Enterprise Income Verification (EIV)
- Glossary

7.2 Housing and PIH Notices

This notice supersedes and replaces the guidance provided in the following program notices:

- Exclusion from Annual Income of Temporary Employment from the U.S. Census Bureau (H 2020–06)
- Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System (PIH 2018–18)
- Income Exclusion Under Temporary Census Employment and Census Access (PIH 2017–05)
- Passbook Savings Rate Effective February 1, 2016 (H 2016–01)
- Amendment to the Definition of Tuition (PIH 2015–21/H 2015–12)
- Guidance on Verification of Excluded Income (PIH 2013–04 (HA))
- Establishing the Passbook Savings Rate (PIH 2012–29)
- Housing Choice Voucher – Homeownership Option 10 Year Asset Exclusion (PIH 2012–03)
- Income Exclusion of Kinship, Kin-GAP and Other Guardianship Care Payments (PIH 2012–01 (HA))

Streamlining Administrative Practices in the Housing Choice Voucher program (Notice PIH 2012–15) is still useful for PHAs who are streamlining their programs. Numerous provisions in that notice are no longer applicable or additional flexibilities have been offered through more recent PIH notices. As it relates to the HOTMA final rule, however, the notice includes numerous

recommendations surrounding interim reexaminations and annual reexaminations that are no longer applicable. Therefore, HUD is rescinding PIH Notice 2012–15.

The following sections of Streamlining Program Regulations for Programs Administered by Public Housing Agencies (Notice PIH 2016–05) are rescinded:

C: “Exclusion of mandatory education fees from income”

E: “Earned income disregard”

F: “Family declaration of assets under \$5,000”

N: “Family income and composition: regular and interim examinations”

Verification of Social Security Numbers (SSNs), Social Security (SS) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System’s Identity Verification Report (Notice PIH 2018–24) contains useful guidance but several provisions are no longer applicable or additional flexibilities have been offered. Therefore, HUD is partially rescinding Notice PIH 2018-24:

- The details of what constitutes acceptable documentation of SSN in section 6 is supplemented by section J.6 of Notice PIH 2023-27.
- References in sections 15, 16, and 17 to the date of documents used for written third-party verification are amended, given the change in section J.5 of Notice PIH 2023-27 to allow written third-party documents dated within 120 days. Likewise, for documentation requirements related to benefit income, section J.4 on “Safe Harbor” income determination must be taken into consideration.
- References to the requirement to run EIV at all mandatory interim reexaminations are superseded by section J.3 of Notice PIH 2023-27.
- Discussion of the application of the SSA COLA in section 20 is superseded by section B.3 of Notice PIH 2023-27.
- Readers should regularly consult <https://ssa.gov> for updates to instructions on how to request benefit letters.

The following Housing notices are partially rescinded by this notice:

- *Streamlining Administrative Regulations for Multifamily Housing Programs* (H 2016–09)
 - “24 CFR 5.216 – Verification of Social Security Numbers” (Section IV). This section of the notice states that an interim reexamination is required to add or update a household member’s Social Security Number (SSN).
 - “24 CFR 5.609 – Definition Change – Exclusion of mandatory education fees from income” (Section VI). This section of the notice references the outdated income exclusion in 24 CFR § 5.609(b)(9).
- *Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice* (H 2013–24)

- “Annual Recertification” (Section IV.F). This section of the notice states that MFH Owners must conduct interim reexaminations as described in HUD Handbook 4350.3 REV-1, Chapter 7.
- *Enterprise Income Verification (EIV) System* (H 2013–06)
 - “Using EIV Reports” (Section VII). This section of the notice states that MFH Owners are required to use EIV Income Reports as a third-party source to verify a tenant’s employment and income information during interim reexaminations.
 - “Use of EIV Reports” (Attachment 6). This attachment to the notice states that the use of EIV Reports (Income Report, Income Discrepancy Report, and Summary Report) is mandatory at interim reexaminations.

8. **PAPERWORK REDUCTION ACT**

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number. The information collection requirements of this notice were assigned OMB Control Numbers 2577–0169, 2577–0295, 2577–0083, 2502–0204, 2577–0226, 2577–0282.

For questions regarding this notice please contact MFH_HOTMA@hud.gov for Multifamily Housing program questions or HOTMAQuestions@hud.gov for PIH program questions.



Joseph M. Gormley
Performing the Delegable Duties of
the Assistant Secretary for Housing –
Federal Housing Commissioner



Benjamin Hobbs
Assistant Secretary
for Public and Indian Housing

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ATTACHMENT A: TOPIC: ASSET LIMITATION

Regulations

24 CFR §§ 5.100 (real property); 5.603; and 5.618

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance), Section 202/8	Section 202/162 PAC, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	No	Yes

Summary

For the Public Housing and Section 8 programs (including PBRA and HCV), PHAs/MFH Owners must deny admission of an applicant if they are determined to not meet the requirements of the asset limitation (see paragraph A.1 and A.2 below).

PHAs/MFH Owners have discretion with respect to application of the asset limitation at annual and interim reexamination, as discussed in paragraph A.3 below. For the purpose of reexaminations, paragraph A.1 does not apply to PHAs/MFH Owners who establish total non-enforcement policies as described in paragraph A.3.a of this attachment.

Subtopics

A.1 Asset Limitation

This section describes the asset limitation. The enforcement options are described in subsequent paragraphs A.2. and A.3. A family is out of compliance with the asset limitation if they have either of the following:

- **Net family assets that exceed \$100,000, as adjusted annually for inflation.** See [Attachment F](#) (paragraph F.4.a) (Determining Net Family Assets) of this notice for the definition of net family assets. HUD will adjust this amount annually in accordance with the Consumer Price Index–Urban Wage Earners and Clerical Workers (CPI–W). See [Attachment H](#) (Inflationary Adjustments) of this notice for more information on inflationary adjustments. In determining whether the net family assets for a family exceed \$100,000 (as adjusted for inflation), a PHA/MFH Owner may accept a declaration from the family that their net assets do not exceed \$50,000 (as adjusted for inflation), without needing to further verify that declaration. See [Attachment F](#) (paragraph F.7) (Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (as adjusted by inflation)) of this notice. For assets disposed of for less than fair market value during the two years preceding the date of application for the program or reexamination, as applicable, the difference in value between the consideration received and the fair market value must be included in net family assets.

- **Real property that is suitable for occupancy.** Real property means “real property as provided under the State law in which the property is located.”^{A1} Families are out of compliance if they have a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence. However, there are several exemptions to the real property restriction, discussed below in paragraph A.4.a (Exemptions to the Real Property Restriction in the Asset Limitation). In determining whether the family owns real property that would make them out of compliance, a PHA/MFH Owner may rely upon a self-certification, both at the time of admission and at reexamination, from the family stating that they do not have any present ownership interest in any real property. A PHA/MFH Owner could use a form that requests certification of the family’s present ownership interest in the property, and also inquire about the family’s legal right to reside in, and the effective legal authority to sell any real property that is suitable for occupancy by the family. If the family certifies that they do not have any present ownership interest in real property, the PHA/MFH Owner may take that as sufficient to determine the family is not out of compliance with the real property restriction. However, if the family owns real property, the PHA/MFH Owner must seek third-party verification of the family’s legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

Note: Ownership of real property is relevant to the asset limitation in two distinct ways: 1) if the family has an ownership interest in real property, that interest may cause the family’s net family assets to exceed \$100,000 (adjusted for inflation), in which case the family is out of compliance; and 2) if the family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a property that is suitable for occupancy by the family as a residence, then the family is out of compliance. There are several exemptions to the real property restriction at § 5.618(a)(1)(ii), discussed in paragraph A.4.a, which identify when a real property ownership interest does not by itself render the family out of compliance with the asset limitation. However, those exemptions do not indicate that such real property is excluded from the calculation of net family assets. Unless the real property is specifically excluded from net family assets in the definition under § 5.603, it may be included in net family assets. If the value of that real property brings the net family assets above \$100,000 (as adjusted for inflation), the family will be out of compliance.

A.2 Compliance at Admission

At admission, ownership of net family assets that exceed \$100,000 (as adjusted) or ownership of disqualifying real property require denial of assistance. PHAs/MFH Owners do not have the discretion to not enforce or provide limited enforcement of the asset limitation at admission.

With respect to MFH programs only, MFH Owners must enforce the asset limitation at initial certification for families who lost their assistance because they failed to recertify

^{A1} Real Property as defined in 24 CFR § 5.100.

timely or began to pay market rent, remained in the unit, and then lost income, once again requiring assistance.

Note: Families residing in units converting to Section 8 PBRA or PBV through the Rental Assistance Demonstration (RAD) may not be rescreened upon conversion pursuant to the RAD statute; therefore, RAD families converting to PBRA or PBV are not subject to the asset limitation provision **at conversion**. Instead, families residing in units converting under the First or Second Component of RAD to PBRA (including units originally assisted under the Section 202/811 PRAC program) or PBV will be subject to the PHA/MFH Owner's discretionary asset limitation policies at their next annual or interim reexamination after conversion, whichever is sooner.

A.3 PHA/MFH Owner Discretion at Annual and Interim Reexamination

PHAs/MFH Owners have discretion with respect to the application of the asset limitation at annual and interim reexamination. PHAs/MFH Owners may adopt a written policy of total non-enforcement, enforcement, or limited enforcement, as described below. They may also adopt exception policies as described in A.3.d.

Regardless of the policy they adopt, PHAs/MFH Owners must comply with federal fair housing and civil rights requirements, including reasonable accommodation requirements. This obligation applies regardless of whether PHAs/MFH Owners establish enforcement, limited enforcement, or exception policies to the asset limitation at reexamination. This may mean, for example, that a PHA/MFH Owner would be required to allow someone to cure their noncompliance or provide more time to demonstrate they have cured their noncompliance before terminating assistance if there was a nexus between the person's disability and their need to cure or their need for additional time to demonstrate they have cured their noncompliance. A reasonable accommodation could require delaying the initiation of termination or eviction proceedings for more than six months.

A.3.a Total Non-Enforcement

At annual and interim reexamination, PHAs/MFH Owners may choose not to enforce the asset limitation, if they establish a written non-enforcement policy. PHAs/MFH Owners may establish a total non-enforcement policy for all families at reexaminations, which would mean that they will not initiate termination or eviction proceedings for a family for non-compliance with the asset limitation. Where the PHA/MFH Owner exercises this discretion to allow families who would otherwise fail to comply with the asset limitation to continue renting their units, the families will continue to receive assistance. If they adopt a total non-enforcement policy, PHAs/MFH Owners must apply the non-enforcement policy the same for all families within a program (e.g., if adopted in a PHA's Admissions and Continued Occupancy Policy, it must apply to all Public Housing families). Any non-enforcement policy must be included in the PHA's Administrative Plan or ACOP or a MFH Owner's Tenant Selection Plan.

Note: PHAs/MFH Owners who adopt a total non-enforcement policy are still required to calculate net family assets in the manner required by § 5.603, as part of the process of calculating annual income in accordance with § 5.609. In the

course of calculating net family assets, PHAs/MFH Owners thus still need to determine whether the family owns real property that must be included in net family assets. However, if they adopt a total non-enforcement policy, they are not required to obtain and verify additional information about owned real property strictly to determine whether it qualifies for an exemption under § 5.618 (e.g., whether owned real property is suitable for occupancy). For example, if a PHA/MFH Owner finds a family owns real property, that real property would need to be included in the calculation of net family assets unless it is specifically excluded by § 5.603, but the PHA/MFH Owner would not need to inquire whether it was suitable for occupancy.

A.3.b Enforcement

PHAs/MFH Owners may choose to enforce the asset limitation at reexamination. PHAs/MFH Owners with an enforcement policy at reexamination must initiate termination or eviction proceedings within six months of the income examination that determined the family was out of compliance. They may delay the initiation of termination or eviction proceedings for noncompliant families for up to but no longer than six months. See paragraph A.4 on the features that determine whether owned real property renders the family out of compliance with the asset limitation. See paragraph A.5 on how requirements to initiate termination or eviction proceedings vary by program.

Any enforcement policy, including the amount of time that a PHA/MFH Owner will delay the initiation of termination or eviction proceedings for noncompliant families, must be included in the PHA's Administrative Plan or ACOP or a MFH Owner's Tenant Selection Plan.

A.3.c Limited Enforcement: Option to Cure

PHA/MFH Owners may alternatively adopt a written policy of limited enforcement, which would differ from total enforcement of the asset limitation at reexamination in only one regard: all families who are found to be out of compliance at reexamination would be provided the same opportunity to come back into compliance. Families would have up to but no longer than six months, depending on the limited enforcement policy that the PHA/MFH Owner adopts, to demonstrate that they have come back into compliance. If the family does demonstrate they have come back into compliance within that period, the PHA/MFH Owner would not initiate termination or eviction proceedings.

Limited enforcement policies cannot provide families more than six months to come back into compliance and do not extend the period of time the PHA/MFH Owner may delay initiation of termination or eviction proceedings; the PHA/MFH Owner may still only delay initiation of termination or eviction proceedings for the family for a period of not more than six months. (In the case of a reasonable accommodation, a family may be afforded more than six months to comply.) See paragraph A.4 on the features that determine whether owned real property renders the family out of compliance with the asset limitation.

If the PHA/MFH Owner has adopted a limited enforcement policy, that policy must address the timeframe for curing non-compliance (e.g., families will have six months to demonstrate they have cured non-compliance with the asset limitation). In establishing a limited enforcement policy, PHAs/MFH Owners may choose to allow an opportunity to cure non-compliance that is less than six months. Any limited enforcement policy, including the amount of time that a PHA/MFH Owner will delay the initiation of termination or eviction proceedings for families who do not demonstrate compliance, must be included in the PHA's Administrative Plan or ACOP or a MFH Owner's Tenant Selection Plan.

What families must do to cure non-compliance depends on why they were identified as out of compliance. Families could cure non-compliance by removing prohibited assets — for example, by selling real property or bringing net family assets below \$100,000 (as adjusted for inflation). However, the value of assets disposed of for less than fair market value would still be counted in the family's net family asset total in the two years preceding the date of application for the program or reexamination. See [Attachment F](#) (paragraph F.4.a) for a discussion of what constitutes a disposition of assets for less than fair market value.

If the family is non-compliant with the asset limitation because of a present ownership interest in real property, but their net family assets do not exceed \$100,000 (adjusted for inflation), they can cure non-compliance by demonstrating that either they no longer own the prohibited asset or that it now qualifies for an exemption (e.g., because the family is now offering it for sale), so long as the family's net family assets do not exceed \$100,000 (adjusted for inflation) after such action is taken. (Note, however, that offering real property for sale does not thereby exclude the real property from the calculation of net family assets.)

A family with more than \$100,000 (as adjusted annually for inflation) in net family assets may bring their assets below the threshold in several ways. The family could purchase something that is not counted among net family assets, such as necessary personal property (e.g., a car used for everyday transportation). Alternatively, the family may cure non-compliance by moving assets such that they are no longer counted among net family assets, so long as doing so is not counted as disposing of assets for less than fair market value. In some circumstances, the family may transfer funds into a retirement plan recognized as such by the Internal Revenue Service (e.g., an individual retirement arrangement, employer retirement plan, or retirement plan for self-employed individuals), if the account is held by a member of the family. An asset moved to a retirement account held by a member of the family is not considered an asset disposed of for less than fair market value. Likewise, the family may be able to move funds into an irrevocable trust for the benefit of someone in the assisted family.

When PHAs/MFH Owners have a limited enforcement policy and the family demonstrates they have cured non-compliance, PHAs/MFH Owners must record the curing of a family's ineligibility in the family's file and permit families to remain in the program. The related updates to the family's income and assets would be processed at the next reexamination, which may be an interim if the family's circumstances meet the threshold for processing such a reexamination, or

it may be the next annual reexamination. See [Attachment I](#) (Interim Reexaminations) of this notice.

A.3.d Exception Policies

At annual and interim reexamination, PHAs/MFH Owners may also establish exceptions to the asset limitation (not at admission or initial certification where the family is being rescreened for assistance). If the PHA/MFH Owner has adopted a written exception policy for reexaminations, then families in the specified exception categories will receive either total non-enforcement or limited enforcement, depending on the exception policy the PHA/MFH Owner has adopted. Families in the specified exception categories would either (a) not be subject to termination or eviction proceedings due to non-compliance with the asset limitation at a reexamination, or (b) they would be provided an opportunity, up to but no longer than six months, to come back into compliance, after which point the asset limitation would be enforced. An exception policy may be combined with a limited enforcement policy for all other families not in the exception categories, as described below.

PHAs/MFH Owners are permitted to include more than one exception as part of any exception policy. Exception policies may be based on family type and may take into consideration such factors as age, disability, income, the ability of the family to find suitable alternative housing, and whether supportive services are being provided^{A2}. All exception policies must comply with civil rights and fair housing statutes and requirements, including but not limited to requirements identified in 24 CFR § 5.105(a).

Limited exception policies, which establish an opportunity to cure non-compliance, cannot provide families more than six months to cure these conditions. (In the case of a reasonable accommodation, a family may be afforded more than six months to comply.) If they have adopted such a policy, PHAs/MFH Owners must initiate termination or eviction proceedings for families who remain in non-compliance with the asset limitation within six months of the reexamination at which the non-compliance was determined. In establishing a limited exception policy, PHAs/MFH Owners may choose a period of delay that is less than six months.

PHAs/MFH Owners may choose to combine a limited enforcement policy (which applies to all families) with an exception policy for families in the specified exception categories. For example, they may adopt a limited enforcement policy that provides all families a window of six months to cure non-compliance with the asset limitation, and they may simultaneously adopt an exception policy that provides that the asset limitation will not be enforced at all at annual and interim reexaminations for families in the exception categories. PHAs/MFH Owners could alternatively adopt a limited enforcement policy for all families that provides a window of less than six months to cure non-compliance, alongside a

^{A2} Sec. 104(e)(5) of P.L.114-201 (HOTMA).

limited exception policy that allows families in the exception categories a longer period of time (up to but no longer than six months) to cure non-compliance.

Any exception policy must be included in the PHA's Administrative Plan or ACOP or a MFH Owner's Tenant Selection Plan. The exception policy must describe whether excepted families are subject to total non-enforcement or limited enforcement.

Example A1: Asset Limitation Exception Policies

Sample Policy A: For all families that meet the definition of extremely low-income at reexamination and are found to be non-compliant with the asset limitation, the PHA/MFH Owner will not enforce the asset limitation at reexamination. Such families will not be subject to termination or eviction proceedings due to non-compliance with the asset limitation at reexamination. All other families will be subject to a limited enforcement policy and provided six months to cure noncompliance.

Sample Policy B: For all families that meet the definition of extremely low-income at reexamination and are found to be non-compliant with the asset limitation, the PHA/MFH Owner will not enforce the asset limitation at reexamination. Such families will not be subject to termination or eviction proceedings due to non-compliance with the asset limitation at reexamination. All other families will be subject to the enforcement policy.

Sample Policy C: Families with an elderly family member or a member with a disability will be given six months to cure their non-compliance with the asset limitation, as stated in the PHA/MFH Owner's policies. All other families will be subject to a limited enforcement policy and provided four months to cure noncompliance.

Sample Policy D: Families with an elderly family member or a member with a disability will be given six months to cure their non-compliance with the asset limitation, as stated in the PHA/MFH Owner's policies. All other families will be subject to the enforcement policy.

A.4 Real Property Determination

At admission and at reexamination, if the PHA/MFH Owner is enforcing the asset limitation, including limited enforcement, and a family declares that they have a present ownership interest in real property, then the PHA/MFH Owner must determine whether the property qualifies for an exemption as described in paragraph A.4.a (Exemptions to the Real Property Restriction in the Asset Limitation), whether the family lacks a legal right to reside in the real property as described in paragraph A.4.b (Legal Right to Reside in the Real Property), whether they lack the effective legal authority to sell the real property as described in paragraph A.4.c (Effective Legal Authority to Sell the Real Property), or whether the real property is unsuitable for occupancy as described in paragraph A.4.d (Suitability of Real Property for Occupancy). If the PHA/MFH Owner finds that any of these four things are true, then the family's present ownership interest in real property does not itself mean the family is out of compliance with the asset limitation. The type of third-party documentation that will be used to verify the disposition of a family's real property may vary by a family's circumstances and the locality in which the real property is located.

A.4.a Exemptions to the Real Property Restriction in the Asset Limitation

The real property restriction does not apply to the following:

- Any property for which the family is receiving assistance under 24 CFR § 982.620 (i.e., a manufactured home owned by a family who receives assistance to lease the space or lot in which it is located). Likewise, any property for which the family is receiving assistance under the Homeownership Option in 24 CFR Part 982. See 24 CFR § 5.618(a)(1)(ii)(A).
- Any property jointly owned by a family member and another individual who does not live with the family but who resides at the jointly owned property. See 24 CFR § 5.618(a)(1)(ii)(B).
- Any property owned by a family that includes a person who is a victim of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in 24 CFR Part 5 (Subpart L). For example, if the victim is a minor, the real property limitation does not apply to any property owned by the victim's parent or guardian. When a family requests an exemption from the real property limitation on this basis, the PHA/MFH Owner must accept self-certification and follow the confidentiality and documentation-request requirements established at 24 CFR § 5.2007. See 24 CFR § 5.618(a)(1)(ii)(C).
- Any property that the family is offering for sale. Documentary evidence of the sales process could include, for example, a contract with a real estate agent or a current real estate listing. See 24 CFR § 5.618(a)(1)(ii)(D).

A.4.b Legal Right to Reside in the Real Property

The real property restriction applies only when the family has the legal right to reside in the real property. Whether a family has the legal right to reside in a property may be dependent on state and local law. The family may own real property that legally they may not reside in. For example, the family may own a commercial property, such as a convenience store or other retail establishment, which cannot be occupied as a place of residence by the family. Families who claim they lack the legal right to reside in the real property must provide evidence to support their claim(s). What constitutes sufficient evidence will vary by circumstance.

A.4.c Effective Legal Authority to Sell the Real Property

The real property restriction applies only when the family has the effective legal authority to sell the real property, based on the laws of the state or locality in which the property is located. There may be multiple reasons why a family does not have such legal authority. For example, when families are contesting ownership of a property in court, or an individual is in divorce proceedings, they may be unable to sell the property until the completion of those proceedings. Someone who owns heirs' property may not have the authority to sell until others' claims to fractional ownership have been settled. Families who claim they lack the legal authority to sell the real property must provide evidence to support their

claim(s). What constitutes sufficient evidence will vary by circumstance. For example, a divorce pleading or complaint may demonstrate that there are actual divorce proceedings occurring.

A.4.d Suitability of Real Property for Occupancy

A property will be considered suitable for occupancy unless the family demonstrates that the real property meets one of the following five conditions (24 CFR § 5.618(a)(2)):

- The property is not capable of meeting the disability-related needs of all members of the family (e.g., does not meet physical accessibility requirements, family has disability-related need for additional bedrooms, family needs proximity to accessible transportation). Documentary requirements to establish disability-related needs must comply with applicable fair housing and civil rights requirements.
- The property is not sufficient for the size of the family. A PHA/MFH Owner's occupancy standards may be used for such a determination.
- The property is geographically located so that it creates 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 place a hardship on the family, as determined by the PHA/MFH Owner. Distance or commute time to school/work are illustrative, but not exhaustive, examples of geographic hardships). Through written policies, PHAs/MFH Owners may set parameters on what constitutes such a hardship, but they must consider the specific circumstances of the family, including information provided by the family, in making a determination.
- The property is not safe to reside in because of its physical condition (e.g., the property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied). Unsafe property conditions could include external circumstances or environmental factors outside the control of the family. The property may be deemed not suitable for occupancy if the alterations that would be needed to make it safe to live in are cost prohibitive.
- The family does not have the legal right to reside in the property.

A.5 Special Considerations for Terminating Assistance or Evicting Families for Non-Compliance with the Asset Limitation

Even if PHAs/MFH Owners do not adopt a non-enforcement or limited enforcement policy and/or exception policy, they may delay for a period of up to six months the initiation of termination or eviction of assistance proceedings. They are not required to initiate termination or eviction of assistance proceedings immediately upon determining the family is out of compliance with the asset limitation, nor are they required to begin the proceedings during the six-month period in order to have a termination of assistance or eviction completed at the six-month mark. PHAs/MFH Owners are encouraged to set

policies for the initiation of termination or eviction of assistance proceedings that provide families adequate opportunity to find new housing.

What it means to initiate termination or eviction of assistance proceedings due to non-compliance with the asset limitation will vary by program:

- In the Section 8 Project-Based Rental Assistance program, including the Section 202/8 program, participants who are not compliant with the asset limitation must either pay the contract rent for the unit or vacate the unit after termination of assistance.
- In the Housing Choice Voucher program, participants who are not compliant with the asset limitation are subject to termination of assistance, but there is no requirement that the unit owner initiate eviction because of non-compliance with the asset limitation.
- In the Public Housing program, participants who are not compliant with the asset limitation are subject to termination of assistance and eviction from the unit, if they fail to vacate the unit voluntarily. There is no general provision that allows such families to remain and pay an alternative rent.
- In the Section 8 Project-Based Voucher program, participants who are not compliant with the asset limitation are subject to termination of assistance. The PHA and owner may agree to remove the unit from the HAP contract, at which point the unit becomes an unassisted unit, and the owner may choose to allow the family to stay and pay the market rent. (The owner may charge the family a rent that is below-market rate, in which case it would be considered a landlord-assisted unit for rent reasonableness purposes.) When the family subsequently vacates the unit, the unit may be added back to the HAP contract. If the project is partially assisted, the PHA and owner may substitute a different unit for the unit removed due to the ineligibility of the tenant, consistent with the requirements for adding units to the HAP contract. Alternatively, if the owner refuses to agree to remove the unit from the HAP contract, the owner must evict the family, if they fail to vacate the unit voluntarily. In this case, the owner may not enter into a new lease with the now-eligible family for that PBV-assisted unit, and the PBV unit must be leased to an eligible family.
- In the Section 8 Moderate Rehabilitation program, participants who are not compliant with the asset limitation are no longer eligible for assistance. 24 CFR § 882.512 expressly allows that families who were eligible at admission but subsequently become ineligible may remain in HAP contract units. However, if the owner fails to have at least 90 percent of the assisted units leased or available for leasing by eligible families, the PHA may reduce the number of units covered by the HAP contract. The PHA will agree to an amendment of the HAP contract to provide for subsequent restoration of any reduction in units if the PHA determines that the restoration is justified by demand, the owner otherwise has a record of compliance with obligations under the HAP contract, and contract authority is available.

PHAs/MFH Owners must follow program procedures for terminating assistance or tenancy. For example, for Public Housing families, when the PHA initiates the eviction and termination process, the PHA must provide a lease termination notice of 30 days

unless a state or local law requires a longer notice period, and the family must be provided an opportunity for a hearing under the PHA administrative grievance procedure.

A.6 Required Policy Updates to Administrative Plans, ACOPs, and Tenant Selection Plans

A.6.a Admission Policies

PHAs/MFH Owners must establish written screening criteria in their Administrative Plans, ACOPs, or Tenant Selection Plans, as applicable, to prohibit the admission of applicants who own net family assets that exceed \$100,000 (as adjusted for inflation) and/or real property that is suitable for occupancy. Policies should indicate the general parameters PHAs/MFH Owners will use when determining whether the location of real property constitutes a geographic hardship.

A.6.b Reexamination Policies

Whether a PHA/MFH Owner chooses to adopt a total non-enforcement, enforcement, limited enforcement, and/or exception policy for reexaminations, that policy and accompanying details must be set forth in the PHA's ACOP or Administrative Plan or in a MFH Owner's Tenant Selection Plan, as applicable.

PHAs/MFH Owners must also update their Administrative Plans, ACOPs, or Tenant Selection Plans, as applicable, to indicate when they will initiate termination or eviction proceedings after participant families are determined to be out of compliance with the asset limitation, when the PHA/MFH Owner has established either an enforcement policy or policies to permit families to cure their noncompliance. PHAs/MFH Owners must initiate termination or eviction proceedings for families who remain out of compliance with the asset limitation within six months of the reexamination at which the non-compliance was determined. Policies should indicate the general parameters PHAs/MFH Owners will use when determining whether the location of real property constitutes a geographic hardship.

ATTACHMENT B: TOPIC: CALCULATING INCOME

Regulations

24 CFR §§ 5.609(c)(1); 5.609(c)(2); 5.609(c)(4); 5.657(f); 882.515; 882.515(f); 882.808; 882.808(i)(5); 891.105; 891.410(c); 891.410(g)(1); 891.410(g)(2); 891.610(c); 891.610(g)(1); 891.610(g)(2); 891.750(c); 960.257; 982.516; and 982.516(f)

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

See each subtopic.

Subtopics

B.1 New Admissions and Interim Reexaminations

Regulations: 24 CFR §§ 5.609(c)(1); 882.515; 891.410(c) and (g)(2); 891.610(c) and (g)(2); 960.257; and 982.516

Summary: When calculating a household's income, including asset income, at the time of admission to the program or during interim reexaminations, PHAs/MFH Owners must use anticipated income (current income) (i.e., the family's estimated income for the upcoming 12-month period). This requirement is consistent with the pre-HOTMA process for conducting income examinations at admission and for interim reexaminations.

B.2 Annual Reexaminations

Regulations: 24 CFR §§ 5.609(c)(2); 882.808; 891.410(g)(1); and 891.610(g)(1) 960.257; and 982.516

Summary: The final rule revises the standards for income calculation during annual reexamination.

PHAs/MFH Owners have the option of using a "safe harbor" income verification from another federal means-tested program to verify gross annual income. See [Attachment J](#) (paragraph J.4) (Determination of Income Using Other Means Tested Public Assistance (i.e., "Safe Harbor")) of this notice for an example of how to calculate annual income using the safe harbor method.

During annual reexaminations, except where the PHA/MFH Owner uses a streamlined income determination under 24 CFR §§ 5.657(d), 960.257(c), or 982.516(b) (see [Attachment I](#) (paragraph I.8) (Streamlined Income Determination)), PHAs/MFH Owners must first determine the family's income for the previous 12-month period and use this

amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with the PHA/MFH Owner's policies and 24 CFR §§ 5.657(c), 960.257(b), or 982.516(c), must be considered. Income from assets is always anticipated, irrespective of the income examination type.

A change in income, for example, may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. PHA/MFH Owners will look at the entirety of the family's unearned income and earned income from the prior year, in which earned income may have been one constant job or many different jobs that start and stop. Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law.^{B1} See Attachment B (paragraph B.3) of this notice for more information on the COLA. The three steps outlined below apply for both earned and unearned income.

Overview of Calculating Annual Income at Annual Reexamination

Step 1: Determine the annual income for the previous 12-month period as defined at 24 CFR § 5.609(a) and (b). If there have been no changes to income beyond this calculation, then this is the amount that will be used to determine the family's rental assistance.

The PHA/MFH Owner reviews the following information to determine prior-year income:

- The EIV Income Report (must be pulled within 120 days of the effective date of the annual reexamination to be considered current);
- The income reported on the most recent reexamination HUD-50058/HUD-50059; and
- What the family certified to on the PHA/MFH Owner's current annual reexamination paperwork for prior-year income, if available.

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination.

- If an interim reexamination was performed within the reexamination cycle and there are no additional changes, the PHA/MFH Owner must use the annual income from the interim reexamination to determine the family's rental assistance. The PHA/MFH Owner may use the verification obtained from the interim reexamination for this step.
- If the PHA/MFH Owner did not perform an interim reexamination or if the family reports that there have been changes since the last reexamination, move to Step 3.

^{B1}P.L. 92-336: <https://www.govinfo.gov/content/pkg/STATUTE-86/pdf/STATUTE-86-Pg406.pdf#page=16>.

Step 3: If there were changes in annual income not processed by the PHA/MFH Owner since the last reexamination, use current income.

- Family reports their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA/MFH Owner may use documentation of prior-year income to calculate the annual income used for the current annual reexamination HUD-50058/HUD-50059. For example, the PHA/MFH Owner could use the following documentation :

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current level 4^{B2} documents verifying prior-year income that are dated within the required timeframe (120 days of receipt by the PHA/MFH Owner), for example:
 - Year-end statement
 - Pay stub with year-to-date amount
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA/MFH Owner notes discrepancies between EIV and what the family reports, follow the verification hierarchy to document and verify income. See [Attachment J](#) (paragraph J.5) (Verification Hierarchy) of this notice for information about verification.

Example B1: Calculating Annual Income at Annual Reexamination Using EIV

Background: Staff are processing the 3/1/2024 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA/MFH Owner since the 3/1/2023 annual reexamination. The SSA published 2024 COLA is 3.2 percent.

Last reexamination – 3/1/2023 Annual Reexamination

Ruby:	Georgia:
Wages: \$30,000	SSI: \$10,980 (\$915 monthly)

The EIV report pulled on 12/15/2023

Ruby:	Georgia:
Wages Total: \$33,651	SSI Total: \$10,980
Quarter 3 of 2023: \$8,859 (City Public School)	2023 benefit \$915 monthly
Quarter 2 of 2023: \$8,616 (City Public School)	
Quarter 1 of 2023: \$8,823 (County Public School)	
Quarter 4 of 2022: \$7,353 (County Public School)	

^{B2} See Table J2.

<u>Income Reported on Reexamination Application</u>	
Ruby:	Georgia:
Wages at City Public School: \$32,000 (switched jobs but no permanent change to amount)	SSI benefits: \$10,980 (no changes in income)
<u>Calculating Ruby's wages:</u> Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of 2023: \$33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies that the \$33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA/MFH Owner will use \$33,651 for annual wages for the 3/1/2024 annual reexamination given there have been no additional changes to annual income.	<u>Calculating Georgia's SSI benefit:</u> Step 1: Determine the prior annual income from EIV (i.e., \$915 x 12 months: \$10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA/MFH Owner must adjust the prior-year income (2023 SSI benefit) by the 3.2-percent COLA and will use this amount to calculate annual SSI income for the 3/1/2024 annual reexamination: COLA: \$29.28 (\$915 x 0.032) New gross SSI benefit: \$11,331.36 (\$944.28 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy in Attachment J (paragraph J.5) (Verification Hierarchy) of this notice.	
<u>Summary of Annual Income (as reported on the HUD-50058/HUD-50059)</u>	
Ruby (Head of Household):	Georgia (Other Youth Under 18):
Other Wage: \$33,651	SSI: \$11,748
Myers Family Total Annual Income: \$45,399	

**Example B2: Calculating Annual Income at Annual Reexamination Using EIV:
Family Disagrees with EIV**

Background: Staff are processing Paul Hewson's 5/1/2024 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from \$28,000 to \$7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1/2023. After the 7/1/2023 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.

<u>5/1/2023 Annual Reexamination</u> Wages: \$28,000
<u>Last Reexamination: 7/1/2023 Interim Reexamination</u> Wages: \$7,500
<u>The EIV report pulled on 1/15/2024</u> Wages Total: \$18,271 Quarter 3 of 2023: \$2,500 (Viking Bakery) Quarter 3 of 2023: \$796 (Sweet Tooth Candy Bar) Quarter 2 of 2023: \$1,300 (Sasha's Sweets) Quarter 2 of 2023: \$584 (Larry's Concessions) Quarter 2 of 2023: \$2,401 (Viking Bakery) Quarter 1 of 2023: \$6,500 (Sasha's Sweets) Quarter 4 of 2022: \$600 (Sasha's Sweets) SS/SSI: No history of benefits.
<u>Income Reported on Reexamination Application</u> Wages: \$0 (permanent change; no longer receiving) Social Security: \$14,400 (\$1,200 monthly) Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of \$18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of \$1,200 effective 3/1/2024.
<u>Calculating Wages and SS Benefit</u> Step 1: Determine prior annual income taking into consideration the 8/1/2023 interim reexamination (i.e., EIV wages reflected Q4 2022 through Q3 2023: \$18,271) Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1/2023 interim that reduced wages to \$7,500. Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all. Process the annual reexamination effective 5/1/2024 using annual SS income of \$14,400 and \$0 wages.

Summary of Annual Income (as reported on the HUD–50058/HUD–50059)

Paul (Head of Household): \$14,400 (SS)

Hewson Family Total Annual Income: \$14,400

Example B3: Calculating Annual Income at Annual Reexamination

Background: Staff are processing the 11/1/2024 annual reexamination for Samantha and Fergus Poole, head of household and spouse. On 2/14/2024 Samantha reported her monthly child support payment was reduced from \$200 to \$100 per month, but an interim reexamination was **not** processed, because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA/MFH Owner did not establish a lower threshold (see [Attachment I](#), paragraph I.1). Samantha did not report any additional changes to the PHA/MFH Owner.

Last reexamination – 11/1/2023 Annual Reexamination

Samantha:

Business income: \$28,000

VA disability pension: \$12,000

Child support: \$2,400

Fergus:

Wages: \$8,250

Other non-wage income: \$3,000 (Go Fund Me online fundraiser)

The EIV report pulled on 9/16/2024

Samantha:

Wages Total: \$0 (no wage data reported since Q1 2023)

Fergus:

Wages Total: \$8,600

Quarter 1 of 2024: \$2,100 (Ian's Fish 'n' Chips)

Quarter 1 of 2024: \$500 (Claire's Healthcare Supplies)

Quarter 4 of 2023: \$1,000 (Claire's Healthcare Supplies)

Quarter 3 of 2023: \$1,800 (The Onion Garden Shop)

Quarter 2 of 2023: \$3,200 (Ivar's Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA/MFH Owner's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported **only** wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA/MFH Owner for the 11/1/2024 annual reexamination.

Samantha:

Business income: \$28,750 (last year); has decreased to \$18,000 (permanent change)

VA disability benefit: \$12,000 (last year); has increased to \$12,300 (permanent change)

Child support: \$2,400 (last year); has decreased to \$1,200 (permanent change)

Fergus:

Wages: \$6,000

Calculating Samantha's Net Business Income

Step 1: Determine prior annual *net business income* (i.e., \$28,000 on last HUD–50058/HUD–50059).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current **net business income**. Samantha reported on the annual reexamination application that business income permanently decreased to \$18,000. The PHA/MFH Owner must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is \$18,000. Process the annual reexamination effective 11/1/2024 using annual **net business income** determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual **VA pension income** (i.e., \$12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was \$1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The PHA/MFH Owner needs to adjust to reflect current **VA pension income**. Samantha supplies a VA award letter showing the COLA adjusted monthly pension of \$1,025, or \$12,300 annually. Process the annual reexamination effective 11/1/2024 using annual **VA pension income** determined in Step 3 (\$12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual **child support income** (i.e., \$2,400 on the last HUD–50058/HUD–50059).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from \$200 to \$100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so the PHA/MFH Owner must adjust to reflect current **child support income**. In this example, the family submitted a child support history report from the local child support office that documents regular \$100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual **child support income** determined in Step 3 (\$1,200 in this example).

Calculating Fergus's Wages

Step 1: Determine prior annual income from **wages** in EIV (i.e., Q2 2023 through Q1 of 2024: \$8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so the PHA/MFH Owner must verify and adjust to reflect current annual income from **wages**. Fergus reported \$6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA/MFH Owner projected annual income of \$7,800 based on the two paystubs for this employer, and EIV shows \$8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA/MFH Owner must do the following: resolve the discrepancy between EIV wages, the \$6,000 annual income Fergus reported, and the \$7,800 projected based on the paystubs he provided, and verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies. The PHA/MFH Owner determined that Fergus reported his net vs. gross annual income from **wages**, which he corrected on the annual reexamination form to reflect his current gross annual income of \$9,000. The PHA/MFH Owner verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on two current and consecutive paystubs, Fergus is now projected to earn \$9,360 annually. Process the annual reexamination effective 11/1/2024 using income from **wages** determined in Step 3 (\$9,360 in this example).

Calculating Fergus's Other Non-Wage Income

Step 1: Determine prior annual income from other **non-wage income** (i.e., \$3,000 on the last HUD–50058/HUD–50059).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058/HUD–50059. The PHA/MFH Owner must verify and adjust to reflect current **non-wage income**. The PHA/MFH Owner must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual **non-wage income** of \$0 determined in Step 3.

<u>Summary of Annual Income (as reported on the HUD–50058/HUD–50059)</u>	
Samantha (Head of Household):	Fergus (Co-head):
Own business: \$18,000	Wages: \$9,360
Pension: \$12,300	
Child support: \$1,200	
Poole Family Total Annual Income: \$40,860	

B.3 Applying the Current SSA COLA at Next Annual and Interim Reexamination

Regulations: 24 CFR §§ 5.609(c)(2); 960.257; 982.516; and 891.105

Summary: Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal SS and SSI benefits are adjusted to reflect the increase, if any, in the cost of living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics. The purpose of the COLA is to ensure that the purchasing power of SS and SSI benefits are not eroded by inflation. The federal COLA does not apply to state-paid disability benefits. Additional information regarding the SSA COLA is available online at www.socialsecurity.gov.

Effective the day after SSA has announced the COLA, PHAs/MFH Owners are required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.

Example B4: Adjusting the SS Benefit by the COLA

Elizabeth Peterson receives \$500 a month (SS benefit). The PHA/MFH Owner is processing her annual reexam (in November 2023), which is effective 1/1/2024. The PHA/MFH Owner must determine annual SS income as follows:

- Current benefit amount: \$500
- COLA: \$16.00 (\$500 x 3.2 percent [or 0.032])
- New gross SS benefit effective 01/01/2024: \$516.00 (\$500 current benefit + \$16 COLA)
- Annual SS income effective 1/1/2024: \$6,192 (\$516 x 12)

B.4 De Minimis Errors

Regulations: 24 CFR §§ 5.609(c)(4); 5.657(f); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5); 891.105; and 891.655

Summary: PHAs/MFH Owners will not be considered out of compliance solely due to de minimis errors in calculating family income. De minimis errors occur when a PHA/MFH Owner’s determination of a family’s income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). HUD may revise the threshold amount that constitutes a “de minimis error” through rulemaking. PHAs/MFH Owners will not be issued a finding by

HUD or the Contract Administrator (MFH only) for de minimis errors in income calculation.

As PHAs/MFH Owners become aware of the existence of an income calculation error, they are obligated to correct the error(s) retroactive to the effective date of the action the error was made regardless of the dollar amount associated with the error. PHAs/MFH Owners must take corrective action to credit or repay a family if the family was overcharged tenant rent, including when PHAs/MFH Owners make de minimis errors in the income determination. Families will not be required to repay the PHA/MFH Owner in instances where the PHA/MFH Owner miscalculated income resulting in a family being undercharged for rent.

PHAs/MFH Owners must revise their Administrative Plans, ACOPs, and Tenant Selection Plans, as applicable, to reflect how they will repay or credit a family the amount they were overcharged as a result of the PHA/MFH Owner's de minimis error in income determination.

PHA/MFH Owner Discretion: None.

ATTACHMENT C: TOPIC: DEDUCTIONS AND EXPENSES

Regulations

24 CFR §§ 5.603; 5.611(a)(1); 5.611(a)(2); 5.611(a)(3); 5.611(a)(3)(ii); 5.611(b)(1); 5.611(b)(1)(i); 5.611(b)(1)(ii); 5.611(c)(1); 5.611(c)(1)(D); 5.611(c)(2); 5.611(d); 5.611(e); 5.611(e)(2); and 891.105

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

PHAs/MFH Owners must consider mandatory deductions when determining a family's annual adjusted income. PHAs may also consider additional (permissive) deductions to a family's annual income if established by a written policy in the PHA's ACOP or Administrative Plan.

Subtopics

C.1 Dependent Deduction

Regulation: 24 CFR § 5.611(a)(1)

Summary: Effective January 1, 2024, the dependent deduction amount is \$480. This amount will be adjusted annually (see [Attachment H](#)) and applies to a family's next annual or interim reexamination after the annual adjustment, whichever is sooner. Not later than September 1 annually, HUD will publish the CPI-W adjusted dependent deduction to the HUDUser Web site.^{C1} PHAs/MFH Owners must implement the adjusted dependent deduction for all income examinations that are effective on January 1 or later.

PHA/MFH Owner Discretion: None.

C.2 Elderly/Disabled Family Deduction

Regulation: 24 CFR § 5.611(a)(2)

Summary: Effective January 1, 2024, the elderly/disabled family deduction increases from \$400 to \$525 and applies to a family's next interim or annual reexamination, whichever is sooner, after the date on which the PHA/MFH Owner implements the new elderly/disabled family deduction. The amount of the deduction will be adjusted annually (see [Attachment H](#)). Not later than September 1 annually, HUD will publish the CPI-W adjusted elderly/disabled family deduction to the HUDUser Web site.

^{C1} https://www.huduser.gov/portal/pdrdatas_landing.html.

PHA/MFH Owner Discretion: None.

C.3 Unreimbursed Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses Deduction

C.3.a New Higher Threshold for Deducting Health and Medical Care Expenses and Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulation: 24 CFR § 5.611(a)(3)

Summary: The final rule establishes that the sum of unreimbursed health and medical care and reasonable attendant care and auxiliary expenses that exceed 10 percent of the family's annual income can be deducted from annual income. Prior to January 1, 2024, the threshold was 3 percent of the family's annual income.

C.3.b New Definition of Unreimbursed Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses Deduction

Regulation: 24 CFR § 5.603

Summary: Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible health and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs/MFH Owners to specifically align their policies with IRS Publication 502^{C2} for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. IRS Publication 502, in some instances, may instruct that certain expenses are not to be considered medical expenses that would otherwise be allowed under HUD's definition of health and medical care expenses. PHAs/MFH Owners must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

PHA/MFH Owner Discretion: None.

C.3.c Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulation: 24 CFR § 5.611(a)(3)(ii)

^{C2} Publication 502 explains the itemized deduction for medical and dental expenses used for tax purposes, including what expenses, and whose expenses, can and cannot be included in figuring the deduction.

Summary: Auxiliary apparatus items can include, for example, expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read, or type or special equipment to assist a person who is deaf or hard of hearing. Some examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.

In order to claim the deduction for the cost of unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed. If the unreimbursed reasonable attendant care and auxiliary apparatus expense exceeds the amount earned by the person who was enabled to work, the deduction will be capped at the amount earned by that individual.

PHA/MFH Owner Discretion: None.

C.4 Hardship Exemptions for Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulations: 24 CFR §§ 5.611(c)(1); 5.611(c)(1)(D); and 5.611(c)(2)

Summary: As stated in C.3.a, the threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income. Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim **unreimbursed health and medical care expenses**, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim **unreimbursed reasonable attendant care and auxiliary apparatus expenses**, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

To initiate, extend,^{C3} or conclude a hardship exemption only, PHAs/MFH Owners will process and submit a non-interim reexamination transaction as described in [Attachment I](#) (paragraph I.4) (Non-Interim Reexamination Transactions) of this notice.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Note: A family receiving phased-in relief may request to receive general hardship relief instead; **once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.**

^{C3} See paragraph C.6.e, below.

C.4.a Phased-In Relief

This section describes the phased-in relief for families affected by the statutory increase in the threshold to receive unreimbursed health and medical care and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual reexamination or interim reexamination, whichever occurs first after the date on which the PHA/MFH Owner implements the phased-in relief. Families who receive phased-in relief will have eligible expenses deducted that exceed 5 percent of annual income for 12 months. Twelve months after the 5 percent phase-in began, families will have eligible expenses deducted that exceed 7.5 percent of annual income for the immediately following 12 months. After the family has completed the 24 months phase-in at the lower thresholds, as described above, the family will remain at the 10 percent threshold, unless the family qualifies for relief under the general hardship relief provision.

When an eligible family's phased-in relief begins at an interim reexamination, the PHA/MFH Owner will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

The following table demonstrates when the phased-in relief will begin and increase every 12 months during the 24-month phase-in period.

Table C1: Phased-in Relief Timing

Phased-in Relief Timing	In Excess Threshold Percentage for Families Receiving the Health and Medical Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expense Deduction as of January 1, 2024	Reexamination Type
First annual reexamination or interim reexamination, whichever occurs first on or after the date on which the PHA/MFH Owner implements the phased-in relief.	5 percent	Annual or Interim Reexamination
Twelve months after the 5-percent phase-in began	7.5 percent	Annual Reexamination or Interim Reexamination If no Interim Reexamination is triggered, then the PHA/MFH Owner processes with a non-interim transaction.
Twelve months after the 7.5-percent phase-in began	10 percent	Annual Reexamination or Interim Reexamination If no Interim Reexamination is triggered, then the PHA/MFH Owner processes with a non-interim reexamination transaction.

Example C1: Phased-In Relief (Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses)

Ms. Bell's annual reexamination is due on June 1, 2024. Her last annual reexamination was effective June 1, 2023, and she received a deduction for unreimbursed health and medical expenses. She did not have any interim reexaminations after her annual reexamination was completed. Ms. Bell's unreimbursed health and medical expenses were 8 percent of her annual income. For her annual reexamination effective June 1, 2024, the PHA determines that Ms. Bell's annual income is \$10,000 and her unreimbursed health and medical expenses are \$800 (8 percent of her annual income).

Although Ms. Bell's unreimbursed health and medical care expenses are not in excess of the new 10-percent threshold to receive the deduction, since she was receiving a deduction for unreimbursed health and medical expenses on January 1, 2024, Ms. Bell is automatically eligible for the deduction pursuant to the phased-in hardship exemption. The PHA/MFH Owner will apply the phased-in relief threshold to deduct the expenses that exceed 5 percent of her annual income which is \$300 (\$800 - \$500) for this reexamination.

Since her expenses are more than 5 percent of her annual income, the threshold for Ms. Bell's unreimbursed health and medical expense deduction is 5 percent for the next 12 months, then the threshold will be increased to 7.5 percent. Assuming her medical expenses are still \$800, she will be able to deduct \$50 (\$800 - \$750) for the next 12 months.

PHAs/MFH Owners **must** track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move with continued assistance in the HCV program or port to another PHA. The phase-in must also continue for families who move to another Public Housing unit at the same PHA, or who transfer internally to another unit within the same MFH property. The family must receive phased-in relief if they are determined to be eligible as of January 1, 2024.

The table below describes the potential phased-in relief outcomes based on a family's status in PIH and MFH programs:

Table C2: Phased-in Relief Outcomes According to Family's Status in Program for Multifamily Housing Program

Family's Status in Program	Is Family Receiving Phased-in Relief?	Outcome of Phased-in Relief	Required Documentation
Family's assistance is terminated in any program.	Yes	Phased-in relief ends upon termination. When readmitted, family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA/MFH Owner.	N/A. No documentation of phased-in relief is needed.
Public Housing: Family transfers PH units within the same PHA. Housing Choice Voucher: Family moves with continued assistance in the HCV program with the same PHA or ports to a new PHA. MFH: Family transfers units within the same MFH property and are not treated as a new admission.	Yes	Families must continue to receive the phased-in relief. The family will receive the remaining calendar months of the percentage phase-in in their new unit.	The PHA or MFH Owner will use the existing phase-in documentation to determine the remaining calendar months of the percentage phase-in.
Family is treated as a new admission under a different property/program (e.g., family moves from one MFH	Yes	Unless the PHA/MFH has a written policy to continue the phased-in relief upon admission, the family's expense	If the PHA/MFH Owner elects to continue the phased-in hardship relief, then the following documentation is

property to another MFH property, the family moves from Public Housing to the HCV program, etc.).		deduction will be calculated using the 10-percent threshold unless request for general relief is approved by PHA/MFH Owner.	required: Copy of forms HUD–50058 or 50059 from the family showing phased-in relief. If the forms are unavailable, then the PHA/MFH Owner may obtain self-certification from family declaring effective date of 5-percent or 7.5-percent phase-in. The PHA/MFH Owner must document in the file the reason that the forms HUD-50058 or 50059 were unavailable.
Unit in which family resides converts to PBV or PBRA funding under the Rental Assistance Demonstration.	Yes	Families must continue to receive the phased-in relief. The family will receive the remaining calendar months of the percentage phase-in in their new unit.	Copy of forms HUD–50058 or 50059 from the family showing phased-in relief. If the forms are unavailable, then the PHA/MFH Owner may obtain self-certification from family declaring effective date of 5-percent or 7.5-percent phase-in. The PHA/MFH Owner must document in the file the reason that the forms HUD-50058 or 50059 were unavailable.

PHA/MFH Owner Discretion: PHAs/MFH Owners may establish a policy to continue the phased-in hardship relief for families who were eligible for relief as of January 1, 2024, and who are treated as new admissions under a different program.

C.4.b General Relief

This section describes when a family is eligible for general relief related to the health and medical care expense and reasonable attendant care and auxiliary apparatus expense deduction.

To receive general relief, a family must demonstrate that the family’s unreimbursed health and medical care expenses or unreimbursed reasonable attendant care and auxiliary apparatus expenses increased, or the family’s

financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

Relief is available regardless of whether the family previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either this general relief or the phased-in relief.

If a PHA/MFH Owner determines that a family is eligible for general relief, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income. The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, PHAs/MFH Owners may, pursuant to their own discretionary policy, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

Example C2: General Relief (Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses)

Mr. Beck's annual reexamination is due on August 1, 2024. In his last reexamination, he did not have any unreimbursed health and medical expenses and/or auxiliary and attendant care expenses. However, Mr. Beck has since been in a car accident, and he has increased eligible health and medical expenses equal to 6 percent of his annual income. On February 15, 2024, Mr. Beck asks the PHA/MFH Owner for a hardship exemption to allow him to receive a health and medical care expense deduction, which will help him cover his rent.

The PHA/MFH Owner determines that the family is eligible for general relief and an interim reexamination would not have otherwise been triggered. The PHA/MFH Owners processes a non-interim change that applies a health and medical expense deduction for the eligible expenses that exceed 5 percent of annual income for 90 days. The PHA/MFH Owner may extend the relief for one or more additional 90-day periods while Mr. Beck's hardship condition continues and may extend the exemption beyond 90 days if a policy for extending hardship relief is included in the written policy for the PHA/MFH Owner.

PHA/MFH Owner Discretion: PHAs/MFH Owners must establish written policies regarding the types of circumstances that will allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. PHAs/MFH Owners must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

Examples of circumstances constituting a financial hardship may include the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or
- Other circumstances as determined by the PHA/MFH Owner.

PHAs/MFH Owners must not conduct an interim reexamination to add, remove, or to extend a hardship exemption, unless another change experienced by the family triggers an interim reexamination under the applicable regulation or in accordance with the PHA/MFH Owner's discretionary policies on conducting interim reexaminations for adjusted income decreases that are less than ten percent. Instead, the PHA/MFH Owner will process and submit a non-interim reexamination transaction as described in Section 16.4 (Non-Interim Reexamination Transactions) of this notice.

C.5 Child-Care Expenses Deduction and Hardship Exemption to Continue Child-Care Expenses Deduction

Regulation: 24 CFR §§ 5.603 Child-Care Expenses and 5.611(d)

See also [Attachment I](#) (paragraph I.4) (Non-Interim Reexamination Transactions).

Summary: Under 24 CFR § 5.611(d), any reasonable child-care expenses necessary to enable a member of the family to be employed or to further their education are deducted from income. Reasonable child-care expenses are defined in 24 CFR § 5.603(a) and are expenses for the care of children (including foster children if the unreimbursed child-care expenses are paid from the family's annual income and not from another source, such as a stipend from the child welfare agency), under 13 years of age, when all the following statements are true:

- The care is necessary to enable a family member to be employed or to further his or her education (e.g., work, look for work, or further their education (academic or vocational)); and
- The expense is not reimbursed by an agency or individual outside the household.

The amount deducted must not exceed the amount of employment income that is included in annual income.

A family whose eligibility for the child-care expense deduction **is ending** may receive a hardship exemption to continue receiving a child-care expense deduction in certain circumstances when the family no longer has a member that is working, looking for work, or seeking to further their education, and the deduction is necessary because the family is unable to pay their rent.

When a family requests a hardship exemption to continue receiving a child-care expense deduction that is ending, the PHA/MFH Owner must recalculate the family's adjusted income and continue the child-care deduction if the family demonstrates to the PHA's/MFH Owner's satisfaction that the family is unable to pay their rent (see [Attachment C](#) (paragraph C.6.a) (Policy for Determination of the Family's Inability to Pay Rent)) because of loss of the child-care expense deduction and the child-care expense is still necessary even though the family member is no longer working, looking for work, or furthering their education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. The PHA/MFH Owner, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

To initiate, extend or conclude a hardship exemption, PHAs/MFH Owners will submit a non-interim transaction code on form HUD-50058/HUD-50059, unless there is an accompanying event that triggers an interim reexamination.

Example C3: Hardship Exemption to Continue Child-Care Expense Deduction

Ms. Branch had been paying \$250 per week for her child, Violet, to attend child care, while she was employed at a local coffee shop. Ms. Branch became unemployed when the coffee shop permanently closed. Ms. Branch has plans to enroll in college in two months. Although Ms. Branch has the availability to watch Violet, the child-care center has a long waiting list, and if Ms. Branch pulls Violet out temporarily, she would likely be without reliable child care when she starts college. Continuing to pay child-care expenses while not receiving earned income has made the family unable to pay their rent portion.

The PHA/MFH Owner determined that Ms. Branch met the hardship exemption criteria, as established in the MFH Owner's written policies, and is unable to pay rent. The PHA/MFH Owner will allow Ms. Branch to continue to receive the child-care expense deduction for 60 days as Ms. Branch is anticipated to enroll in college in the next two months.

PHA/MFH Owner Discretion: PHAs/MFH Owners must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. PHAs/MFH Owners may extend hardship exemptions for additional 90-day periods based on family circumstances as stated in their written policies.

C.6 Hardship Policy Requirements

C.6.a Policy for Determination of the Family's Inability to Pay Rent

Regulation: 24 CFR § 5.611(e)

Summary: PHAs/MFH Owners must establish policies on how they define what constitutes a hardship (i.e., when a family is unable to pay rent, triggering eligibility for a hardship exemption).

PHA/MFH Owner Discretion: PHAs/MFH Owners have discretion to establish policies for the purpose of determining eligibility for general hardship relief for the health and medical care expense deduction and for the child-care expense hardship exemption. PHAs/MFH Owners must describe these policies in their ACOPs, Administrative Plans, or Tenant Selection Plans, as applicable.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child-care expenses or health and medical expenses) is more than 45 percent (for example) of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent. PHA/MFH Owners may use different percentage thresholds or methods for determining a family's inability to pay rent; the examples provided in this paragraph are for consideration purposes.

C.6.b Family Notification of Hardship Exemption

Regulation: 24 CFR § 5.611(e)(2)

Summary: PHAs/MFH Owners must promptly notify families in writing of the change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The written notice must also inform the family of the dates that the hardship exemption will begin and expire and the requirement for the family to report to the PHA/MFH Owner if the circumstances that made the family eligible for relief are no longer applicable. The notice must also state that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. PHAs/MFH Owners must provide families 30 days' notice of any increase in rent.

PHAs/MFH Owners are encouraged to communicate the availability of hardship exemptions and how to request a hardship to all applicants and families prior to beginning to comply with HOTMA.

PHA/MFH Owner Discretion: None.

C.6.c Family Notification of Hardship Exemption Denial

PHAs/MFH Owners must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. The notification must specifically state the reason for the denial.

C.6.d Family Notification of Hardship Exemption Termination

PHAs/MFH Owners must notify the family if the hardship exemption is no longer necessary and will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

Example C4: Termination of Hardship Exemption

The Olivera family is currently receiving a hardship exemption for child-care expenses. The family received an interim reexamination to decrease their earned income when an adult family member went on unpaid medical leave. The family is unable to pay rent during this time but still needs child care while the adult family member is receiving physical therapy. The family subsequently reports to the PHA/MFH Owner that the adult family member will resume employment in 3 weeks on March 23, at which point the family will no longer need the child-care hardship exemption. When the hardship exemption ends, the PHA/MFH Owner will process an interim reexamination to add the family's earned income and restart the non-hardship child-care expense deduction. The PHA/MFH Owner has a policy to consider earned income increases following an interim reexamination due to a decrease in income (see [Attachment I](#) (paragraph I.2)).

The PHA/MFH Owner must notify the family in writing that the hardship exemption will be terminated effective March 23 and provide the family with 30 days' notice of any rent increase. The family's rent increase will be effective on May 1.

C.6.e Extension of Hardship Exemption for Additional 90-Day Period(s)

PHAs/MFH Owners may at their discretion extend hardship exemptions for additional 90-day periods if the hardship continues pursuant to the PHA/MFH Owner's hardship policies. This provision applies to families receiving hardship exemptions for the child-care expenses deduction and general hardship relief for health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

PHA/MFH Owners may extend the hardship relief for as many 90-day periods as the hardship continues to affect the family. Policies for extending hardship relief for additional 90-day periods must be established in PHAs' Administrative Plans or ACOPs, and in MFH Owners' Tenant Selection Plans.

PHAs/MFH Owners must obtain third-party verification of the family's inability to pay rent or must document in the file the reason that third-party verification was not available. PHAs/MFH Owners must attempt to obtain third-party verification prior to the end of the 90-day period.

C.7 Additional (Permissive) Deductions

Regulation: 24 CFR § 5.611(b)(1)

Summary: A PHA may, but is not required to, establish an additional deduction or deductions from a family's annual income. These deductions are also known as "permissive deductions." Note that the public housing Operating Fund formula is not revised to account for any decrease in PHA revenue attributable to implementing permissive deductions. Likewise, the subsidy costs attributable to implementing permissive deductions will not be taken into consideration in determining the PHA's HCV renewal funding or moderate rehabilitation funding. PHAs that adopt permissive deductions are required to incorporate these policies as part of the Administrative Plan or ACOP, as applicable.

MFH Owners are not permitted to adopt permissive deductions.

PHAs can respond to community needs by establishing a wide range of permissive deductions, including permissive deductions to provide incentives for families to work. Program regulations do not specify what types of permissive deductions are allowable. PHAs operating the Public Housing program have previously adopted permissive deductions that incentivize or encourage self-sufficiency and economic mobility.

As examples, a PHA may adopt an income deduction based on the following:

- The amount earned by certain members of the family (e.g., all income earned by elderly family members, etc.);
- The amount earned by families having certain characteristics (e.g., all income earned by family members employed by nonprofit organizations, etc.);
- the amount received by families or members from guaranteed income programs offered by select states and local governments;
- The amount earned by families or members during a certain time period or from certain sources (e.g., all income earned by full-time dependent students between June-August, all income earned by family members employed by nonprofit organizations, etc.)
- The amount paid from the family's annual income, and not another source such as Medicaid or a child welfare agency, for unreimbursed health or medical expenses of a foster child or foster adult.

PHAs are still subject to federal nondiscrimination requirements, including the obligation to provide reasonable accommodations that may be necessary for households with family members with disabilities.

C.7.a Additional (Permissive) Deductions: Public Housing Only

Regulation: 24 CFR § 5.611(b)(1)(i)

Summary: PHAs may continue to adopt additional deductions from annual income in the Public Housing program. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility. **A PHA that adopts such deductions will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions,** so the financial impact of implementing permissive deductions must be carefully evaluated. PHAs may adopt permissive deductions for Public Housing only if they have established a written policy for such deductions.

PHAs must put the total dollar amounts of any permissible deductions in column 8d and line 8e of the form HUD-50058.

PHA/MFH Owner Discretion: PHAs are not required to adopt permissive deductions, but any PHA establishing permissive deductions in the Public Housing program must create written policies in the PHA's ACOP. MFH Owners are not permitted to adopt permissive deductions.

C.7.b Additional (Permissive) Deductions: HCV and Moderate Rehabilitation Only

Regulation: 24 CFR § 5.611(b)(1)(ii)

Summary: When deciding whether to adopt a permissive deduction for the HCV program, the PHA will need to review its Housing Assistance Payments (HAP) funds utilization and projected leasing closely to ensure that enough HAP is available to support the number of families currently or planned to be leased. The costs attributable to permissive deductions will not be taken into consideration in determining the PHA's HCV renewal funding or Moderate Rehabilitation/SRO funding. A PHA must have sufficient funding to cover the increased HAP cost of the deductions.

For the HCV program, PHAs will be required to report any HAP spent on permissive deductions into VMS monthly. Additional guidance for reporting HAP spent on permissive deductions in VMS will be provided in the VMS Manual.

For Moderate Rehabilitation programs, PHAs will be required to report the additional subsidy cost as part of the Moderate Rehabilitation Year End Settlement they are currently required to submit to HUD.

Since permissive deductions will be excluded from the renewal calculation, PHAs may use outside funding to cover the cost. For example, the PHA may receive non-federal funding to cover the cost of a particular permissive deduction. This could also apply for research studies where the research director asks the PHA to exclude stipends or basic/guaranteed income amounts received during the study period, and the research study provides funding to the PHA to cover the cost.

PHA/MFH Owner Discretion: PHAs are not required to adopt permissive deductions, but any PHA establishing permissive deductions in the HCV or Moderate Rehabilitation/SRO programs must create written policies in the PHA's HCV Administrative Plans.

MFH Owners are not permitted to adopt permissive deductions.

ATTACHMENT D: TOPIC: APPLICABLE FAIR HOUSING AND CIVIL RIGHTS REQUIREMENTS

Regulations

24 CFR §§ 5.105(a), 8.6, 982.53; 28 CFR §§ 35.160 and 36.303

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

While HOTMA did not revise existing Fair Housing or Civil Rights requirements, PHAs/MFH Owners are reminded to follow all applicable nondiscrimination and equal opportunity requirements at 24 CFR § 5.105(a) and 24 CFR § 982.53, including but not limited to:

- the Fair Housing Act;
- Section 504 of the Rehabilitation Act of 1973;
- Title VI of the Civil Rights Act of 1964;
- the Age Discrimination Act;
- HUD’s Equal Access Rule; and
- Title II of the Americans with Disabilities Act of 1990.

These requirements prohibit discrimination on the basis of race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, disability, age, and marital status. PHAs/MFH Owners must also comply with Title III of the Americans with Disabilities Act of 1990, as applicable (see 28 CFR part 36).

When an assisted household includes a person with disabilities, a reasonable accommodation may be necessary. A reasonable accommodation is a change, exception, or adjustment to rules, policies, practices, or services that may be necessary in order to enable an applicant or resident with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common areas, or to participate in or access programs and activities. Under Section 504, reasonable accommodations may also include a structural change to a unit, or to a public or common use area. In addition, the PHAs/MFH Owners must provide effective communication to persons with disabilities, including those with vision, hearing, and other communication-related disabilities, which includes ensuring that information is provided in appropriate accessible formats as needed (e.g., Braille, audio, large type, assistive listening devices, sign language interpreters, accessible Web sites; and other accessible electronic communications). See 24 CFR § 8.6.

PHAs/MFH Owners must also take reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP). LEP guidance and LEP information is available here: <https://www.federalregister.gov/documents/2007/01/22/07-217/final-guidance-to-federal-financial-assistance-recipients-regarding-title-vi-prohibition-against>.

In addition, PHAs/MFH Owners must comply with the Violence Against Women Act (VAWA), HUD's implementing VAWA regulation at 24 CFR part 5 – subpart L, and applicable program regulations.

ATTACHMENT E: TOPIC: HOUSEHOLD COMPOSITION

Regulations

24 CFR §§ 5.403; 5.603; 5.609; 891.105; and 891.520

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance), Section 202/8	Section 202/162 PAC, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes ^{E1}	Yes

Summary

See subtopics.

Subtopics

E.1 Definition of Family

Regulation: 24 CFR § 5.403

Summary: The final rule revises the definition of family to also include a single person who:

- Is an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age;
- 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.

The definition of “family” in the final rule incorporates revisions made to the 1937 Act by the Fostering Stable Housing Opportunities provisions of the Consolidated Appropriations Act, 2021, which expands the definition of “single persons.” Due to the modification of the statute prior to this final rule, HUD is making a conforming change to 24 CFR § 5.403 to align with the new statutory language.

PHA/MFH Owner Discretion: None.

E.2 New Definitions of Foster Adult and Foster Child

Regulation: 24 CFR § 5.603

Summary: The final rule establishes definitions for “foster adult” and “foster child.” A foster adult is defined as a member of the household who is 18 years or older and meets

^{E1} SPRACs have a program-specific definition of Family found in paragraph 2.3 (Families to be Housed) of the SPRAC II (form HUD-93742a).

the definition of a foster adult under state law. State-level agencies define who is considered a foster adult/child, so the classification may vary from state to state.

In general, a foster adult 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 defined as 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 adults/children are not considered **family members** and must not be included in calculations of income for eligibility and rent determination purposes. However, foster adults/children are considered **household members** and must be included when determining unit size or subsidy standards based on established policies.

The definition of “dependent” under § 5.603 was revised to explicitly **exclude** foster children and foster adults. PHAs/MFH Owners may not provide a dependent deduction under § 5.611(a) for a foster child or foster adult. Consistent with the determination that foster adults/children are not family members, income earned by foster adults/children, payments received for the care of foster adults/children, and expenses incurred related to foster adults/children are not considered to be family income or family expenses used in the determination of annual income. Reasonable unreimbursed child-care expenses (as defined in § 5.603) for foster children under 13 years of age may be deducted from annual income if those expenses are necessary to enable a member of the family to work, look for work, or to further their education, but only if the unreimbursed child-care expense for the care of the foster child is paid from the family’s annual income (and not another source, such as a stipend from a child welfare agency). PHAs may use their discretion to establish permissive deductions pursuant to 24 CFR 5.611(b) related to foster children and foster adults – for example, to allow unreimbursed health and medical expenses (defined in § 5.603) of an elderly or disabled family related to their foster child or foster adult to be deducted from annual income, so long as the expenses are paid from the elderly or disabled family’s annual income (and not another source, such as a stipend from a child welfare agency). MFH Owners are not permitted to adopt permissive deductions (see section C.7 for information on permissive deductions).

Families may be eligible to continue to receive the child-care expense deduction, pursuant to a hardship exemption, when the unreimbursed child-care expense is for the care of a foster child under the age of 13, but only if the unreimbursed child-care expense for the care of the foster child is paid from the family’s annual income (and not another source, such as a stipend from a child welfare agency). See [Attachment C](#) (paragraph C.5) (Child-Care Expenses Deduction and Hardship Exemption to Continue Child-Care Expenses Deduction) of this notice.

When a member of an assisted family is temporarily placed in foster care (as confirmed by the state child welfare agency), the member is still counted as a family member in the unit from which they were removed. This means that a foster child or foster adult could be considered an assisted family member in one household while also being a foster child

or adult in another household and receiving consideration in both families' voucher size and/or unit size.

PHA/MFH Owner Discretion: None.

E.3 Alignment of Family Member Definition Across Programs

Regulations: 24 CFR §§ 5.403; 5.603; and 5.609

Summary: Since approximately 2008, MFH programs have treated foster children and foster adults as family members. Effective with the final rule, foster children and foster adults will be treated as household members in MFH programs. This policy alignment is not a direct result of HOTMA but serves rather to conform MFH programs with the existing treatment of foster children/adults across other HUD programs.

HUD reminds PHAs and MFH Owners that the income and net family assets of household members are excluded when determining initial eligibility or eligibility for continued assistance; however, household members are considered for purposes of unit size and subsidy standards. For example, a live-in aide must be considered for bedroom size requirements for a unit, but their income and expenses would not be included for the purposes of income eligibility and assistance levels. Household members do not qualify for expenses or deductions, except that reasonable unreimbursed child-care expenses may be deducted for foster children under the age of 13 if it enables a member of the family to work, look for work, or go to school, and only if the unreimbursed child-care expense for the care of the foster child is paid from the family's annual income (and not another source, such as a stipend from a child welfare agency).

PHA/MFH Owner Discretion: None.

ATTACHMENT F: TOPIC: INCOME

Regulations

24 CFR §§ 5.100; 5.603; 5.603(b); 5.603(b)(3) – (b)(4); 5.609; 5.609(a)(1) – (a)(2); 5.618; 882.515(a); 882.808(i)(1); 891.105; 891.655; 960.259(c)(2); and 982.516(a)(3)

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

See subtopics.

Subtopics

F.1 Annual Income

Regulations: 24 CFR §§ 5.609(a)(1)–(a)(2); and 891.105

Summary: Annual income includes all amounts received from all sources by each member of the family who is 18 years of age or older, the head of household, or spouse of the head of household, in addition to unearned income received by or on behalf of each dependent who is under 18 years of age. Annual income does not include amounts specifically excluded in paragraph (b) of 24 CFR § 5.609. See [Attachment G](#) (Income Exclusions). All amounts received by the head of household, co-head, or spouse, including the income of a day laborer, independent contractor, and seasonal worker (see paragraphs F.2.a, F.2.b, and F.2.c, below) are included in annual income regardless of age, unless otherwise excluded in paragraph (b) of 24 CFR § 5.609.

Note: Annual income includes “all amounts received,” not the amount that a family **may be** legally entitled to receive but **did not**. For example, a family’s child-support or alimony income must be based on payments received, not the amounts the family is entitled to receive based on any court or agency order. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family. However, when a family member’s wages or benefits are garnished, levied, or withheld^{F1} to pay restitution, child support, tax debt, student loan debt, or other applicable debts, PHAs/MFH Owners must use the gross amount of the income, prior to the reduction, to determine a family’s annual income.

^{F1} See: <https://www.dol.gov/general/topic/wages/garnishments> and <https://faq.ssa.gov/en-us/Topic/article/KA-01873>.

Annual income also includes all actual anticipated income from assets even if the asset is excluded from net family assets but the income from the asset is not otherwise excluded. Imputed returns on net family assets are included in annual income only when net family assets exceed \$50,000 (a figure that is annually adjusted for inflation) and actual asset income cannot be calculated for all assets (see F.6.b, below, for a discussion of scenarios where income can be calculated for some but not all assets). PHAs/MFH Owners will not impute income from assets if the total value of net family assets is equal to or less than \$50,000 (as adjusted by inflation). See paragraph F.4.a (Determining Net Family Assets), below, for the definition of net family assets and paragraph F.6 (Actual and Imputed Income from Assets).

PHA/MFH Owner Discretion: None.

F.2 Earned Income

Regulation: 24 CFR § 5.100

Summary: Earned Income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare assistance, Social Security, and other governmental subsidies/benefits), or any cash or in-kind benefits.

PHA/MFH Owner Discretion: None.

F.2.a Definition of Day Laborer

Regulation: 24 CFR § 5.603(b)

Summary: A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609(b)(24) (see [Attachment G](#) (paragraph G.1) (Nonrecurring Income) of this notice) and must be included, unless specifically excluded in 24 CFR § 5.609(b) (e.g., earnings of full-time students in excess of the dependent deduction (24 CFR §§ 5.609(b)(3), (b)(14), etc.)).

PHA/MFH Owner Discretion: None.

F.2.b Definition of Independent Contractor

Regulation: 24 CFR § 5.603(b)

Summary: An independent contractor is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax.

In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and

transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered “gig workers,” such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

Income earned as an independent contractor is not considered nonrecurring income (see [Attachment G](#) (paragraph G.1) (Nonrecurring Income)) and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., 24 CFR §§ 5.609(b)(3), (b)(14), etc.).

PHA/MFH Owner Discretion: None.

F.2.c Definition of Seasonal Worker

Regulation: 24 CFR § 5.603(b)

Summary: A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.

Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver.

Income earned as a seasonal worker is not considered nonrecurring income (see [Attachment G](#) (paragraph G.1) (Nonrecurring Income)) and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., § 5.609(b)(14), etc.).

PHA/MFH Owner Discretion: None.

F.3 Definition of Unearned Income

Regulation: 24 CFR § 5.100

Summary: Unearned income means any annual income, as calculated under 24 CFR § 5.609, that is not earned income.

PHA/MFH Owner Discretion: None.

F.4 Assets

Asset requirements in 24 CFR §§ 5.603 and 5.609 apply to HCV (including Project-Based Vouchers and all special purpose vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO, and MFH programs.

F.4.a Determining Net Family Assets

Regulations: 24 CFR §§ 5.100 and 5.603

Summary: Net family assets are defined as the net cash value of **all assets owned by the family**, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded (see [Attachment F](#) (paragraph F.4.b) (Exclusions from Net Family Assets) of this notice).

Assets with negative equity. The cash value of real property^{F2} or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Assets disposed of for less than fair market value. In determining the value of net family assets, PHAs/MFH Owners must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust,^{F3} but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.

For example, if a family gave away a home with a net value of \$80,000, the value of the home must be included in the calculation of net family assets for two years following the transfer of property. If a family sold a home for less than fair market value, the difference between the value and the amount for which they sold it would be included in net family assets for two years following the transfer of property. For example, if a family sold a property with a fair market value of \$80,000 to a friend for \$20,000, then the difference in value (\$60,000) minus the cost to dispose of the property (\$10,000), which is in this example totals \$50,000, would be counted in net family assets for two years from the date of the property's transfer to the other party.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.

Asset owned by business entity. If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

Jointly owned assets. For assets jointly owned by the family and one or more individuals outside of the assisted family, PHAs/MFH Owners must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded (see F.4.b of this notice), or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of

^{F2} Real property, as used in 24 CFR Part 5, has the same meaning as that provided under the state law in which the real property is located.

^{F3} A disposition in trust is when the family creates a trust for the benefit of someone outside of the assisted family. It would not be considered an asset disposed of for less than fair market value if the family establishes a nonrevocable trust for the benefit of someone in the assisted family.

any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family. Likewise, any income from a jointly owned asset must be included in annual income, unless that income is specifically excluded (see [Attachment G](#)), or unless the family demonstrates that they do not have access to the income from that asset, or that they only have access to a portion of the income from that asset.

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

PHA/MFH Owner Discretion: None.

F.4.b Exclusions from Net Family Assets

Regulations: 24 CFR § 5.603(b)(3)–(b)(4)

Required exclusions from net family assets include the following:

- The value of necessary items of personal property. (See paragraph F.4.c (Necessary and Non-Necessary Personal Property) of this notice.)
- The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation. (See paragraph F.4.c (Necessary and Non-Necessary Personal Property) of this notice.)
- The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this include but are not limited to: co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family being a person with disabilities.
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of such Code; and the amounts in, contributions to, and

distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code.

- The value of any “baby bond” account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults).
- Interests in Indian trust land.
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982.
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982.
- Family Self-Sufficiency accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
- The full amount of assets held in an irrevocable trust. (See paragraph F.4.d (Trusts) of this notice.)
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household. (See paragraph F.4.d (Trusts) of this notice)

PHA/MFH Owner Discretion: PHAs/MFH Owners may need to revise application forms, interview guides and individual verification forms to ensure that they are gathering adequate information to make appropriate asset exclusion determinations.

F.4.c Necessary and Non-Necessary Personal Property

Regulation: 24 CFR § 5.603

Summary: Necessary personal property is excluded from net family assets. Non-necessary personal property with a combined value greater than \$50,000, as adjusted by inflation, is considered part of net family assets. When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

All assets are categorized as either real property (e.g., land, a home) or personal property. Personal property includes tangible items, like boats, as well as intangible items, like bank accounts. For example, a family could have non-necessary personal property with a combined value that does not exceed \$50,000 but also own real property such as a parcel of land. Even though the non-necessary personal property would be excluded from net family assets, the real property would be included in net family assets regardless of its value unless the real property meets a different exclusion under 24 CFR § 5.603.

Necessary personal property are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items.

Determining what is a necessary item of personal property is a highly fact-specific determination, and therefore it is incumbent on PHAs/MFH Owners to gather enough facts to qualify whether an asset is necessary or non-necessary personal property.

Items of personal property that do not qualify as necessary personal property will be classified as non-necessary personal property.

The following table lists examples of necessary and non-necessary personal property. **This is not an exhaustive list.**

Table F1: Examples of Necessary and Non-Necessary Personal Property

Necessary Personal Property	Non-Necessary Personal Property
• Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) • Furniture, carpets, linens, kitchenware • Common appliances • Common electronics (e.g., radio, television, DVD player, gaming system) • Clothing • Personal effects that are not luxury items (e.g., toys, books) • Wedding and engagement rings • Jewelry used in religious/cultural celebrations and ceremonies • Religious and cultural items • Medical equipment and supplies • Health care–related supplies • Musical instruments used by the family	• Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs)) • Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) • Recreational boat/watercraft • Expensive jewelry without religious or cultural value, or which does not hold family significance • Collectibles (e.g., coins/stamps) • Equipment/machinery that is not used to generate income for a business • Items such as gems/precious metals, antique cars, artwork, etc.

• Personal computers, phones, tablets, and related equipment • Professional tools of trade of the family, for example professional books • Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities • Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	
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Example F1: Necessary and Non-Necessary Personal Property

The Cross family owns three items of personal property. The family has a checking account valued at \$5,000, a \$15,000 recreational boat, and Ms. Cross's \$3,000 engagement ring.

The checking account and recreational boat are both considered non-necessary personal property. They are worth a combined \$20,000. The engagement ring is considered necessary personal property, because it is jewelry used in a religious/cultural celebration or ceremony. Since the total value of non-necessary personal property is less than \$50,000, the family's non-necessary personal property will not be considered when calculating the Cross family's net family assets.

<u>Cross Family's Personal Property</u>			
Item	Estimated Value	Type	Amount to be considered as non-necessary personal property
Checking account	\$5,000	Non-necessary Personal Property	\$5,000
Ring (engagement ring)	\$3,000	Necessary Personal Property	\$0
Recreational boat	\$15,000	Non-necessary Personal Property	\$15,000
Total Non-necessary Personal Property:			\$20,000
<u>Calculation of Cross Family's Total Net Assets</u>			
Asset		Total to be Considered in Net Family Assets	
Non-necessary Personal Property		\$0	
Real Property		\$0	
Total:		\$0	
The Cross family's total net family assets are \$0.			

PHA/MFH Owner Discretion: None.

F.4.d Trusts

Regulations: 24 CFR §§ 5.603 and 5.609

Summary: Whether the value of a trust counts as a net family asset and whether distributions from the trust count as annual income to the family depends on the following three factors:

- Whether the trust is under the control of the family;
- Whether distributions are made from the trust's principal; and

- The purpose of the distribution, if the distribution is made from income earned on the trust's principal.

F.4.d.i Trusts as Net Family Assets

The value of irrevocable trusts and revocable trusts that are not under the control of the family are both excluded from net family assets.

The distinguishing feature of a revocable trust is that the grantor can terminate and/or amend the trust at any time for any reason before his or her death. In circumstances when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family, the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

A revocable trust that is under the control of the family or household (e.g., the grantor is a member of the assisted family or household) is included in net family assets, and, therefore, income earned on the trust is included in the family's income from assets. This also means that PHAs/MFH Owners will calculate imputed income on the revocable trust if net family assets are more than \$50,000, as adjusted by inflation, and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

F.4.d.ii Actual Income from a Trust

If the PHA/MFH Owner determines that the revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income.

Where an irrevocable trust is excluded from net family assets, the PHA/MFH Owner must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

F.4.d.iii Trust Distributions and Annual Income

- **Revocable trust considered part of net family assets:** If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family.
- **Revocable or irrevocable trust not considered part of net family assets:** If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:
 - All distributions from the trust's principal are excluded from income.
 - Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's

principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Table F2 below is a tool to assist PHAs/MFH Owners in determining whether a trust should be considered a net family asset and/or whether a trust's earned interest or distributions are considered income to the family.

Table F2: Annual Income/Net Family Assets Scenarios based on Trust Type

Trust Type	Is the trust considered a net family asset?	Is the actual interest earned by the trust considered family income?	Are distributions of trust principal considered family income?	Are distributions of interest earned on the trust principal considered family income?
Revocable Grantor is not part of the assisted family or household (and the family or household is not otherwise in control of the trust)	No	No	No	Yes, unless the distributions are used to pay for the health and medical expenses for a minor
Revocable Grantor is part of the assisted family or household (or the trust is otherwise under the control of the family or household)	Yes	Yes	No	No
Irrevocable (Typically, Special Needs Trusts are irrevocable.)	No	No	No	Yes, unless the distributions are used to pay for the health and medical expenses for a minor

PHAs/MFH Owners must be careful to distinguish between distributions of principal and distributions of earnings on a trust's principal when verifying family income from irrevocable trusts and revocable trusts where the grantor is not part of the assisted family or household, so as not to unintentionally include distributions of principal that are not considered income.

Note: The policy implemented under HOTMA is a change from the previous policies of both PIH and MFH. Previously, PIH considered all distributions of principal or income earned on the principal as income unless the distribution

qualified as an income exclusion. In determining whether a distribution from a trust should be counted as income to the beneficiary, MFH considered how the trust was funded, whether the distribution was from trust income or principal, and whether any distribution from trust income met an existing income exclusion. The policy under HOTMA aligns the policies of MFH and PIH and clarifies that the term “income” means “trust income” and not **any** distribution from the trust to the beneficiary.

PHA/MFH Owner Discretion: None.

F.4.e Federal Tax Refunds or Refundable Tax Credits

Regulation: 24 CFR § 5.603

Summary: All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family’s net family assets for a period of 12 months after receipt by the family.

Taxpayers have several options for receiving their tax refunds: via paper check or direct deposit into a checking or savings account; via TreasuryDirect to buy savings bonds; via direct deposit into a Traditional, Roth, or Simplified Employee Pension Plan-IRA; or via purchase of savings bonds, a Health Savings Account, an Archer Medical Savings Account, or a Coverdell Education Savings Account. Refundable tax credits, such as the Earned Income Tax Credit (EITC), are determined as part of an overall tax return submission to the Internal Revenue Service (IRS). Taxpayers receive one federal tax refund reflecting the taxpayer’s tax liability, if negative, including any applicable refundable tax credits.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of net family assets. When the subtraction results in a negative number, then net family assets are considered \$0.

Note: Only the amount that the family receives is excluded from net family assets. For example, if a family anticipates a \$500 federal tax refund but only receives \$250, then only \$250 will be excluded from the net family assets because that is the amount that the family received.

PHAs/MFH Owners are not required to verify the amount of the family’s federal tax refund or refundable tax credit(s) if the family’s net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA/MFH owner does not accept self-certification of assets. PHAs/MFH Owner must verify the amount of the family’s federal tax refund or refundable tax credits if the family’s net assets are greater than \$50,000.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family’s annual income unless the income is specifically excluded under 24 CFR § 5.609(b).

Example F2: Federal Tax Refund Excluded from Net Family Assets

The Rodriguez family received a \$4,500 federal tax refund on 3/1/2024 and deposited the refund into their checking account. At their next annual reexamination with an effective date of 8/1/2024, the PHA/MFH Owner asks the family about any assets they own, the anticipated income from the assets, and if they received a federal tax refund or refundable tax credits in the past 12 months and where they deposited the refund/refundable tax credits or if they purchased savings bonds with the refund.

The Rodriguez family explain that they received a \$4,500 refund and that they deposited the refund into their checking account, which has a balance of \$10,000. The Rodriguez family reports that they have actual income of \$100 from the checking account this year. The family owns no other assets. Therefore, the family's total calculation of net family assets is \$10,000. In determining the total value of net family assets, the PHA/MFH Owner subtracts \$4,500 from the total of \$10,000 of net family assets, for a total countable asset of \$5,500. The full value of actual income is included as income, because actual income is always included even on excluded assets.

F.4.f Net Family Assets Examples

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets. These concepts are illustrated in the three examples below.

Example F3: Retirement Accounts

Background: The value of any account under a retirement plan recognized by the Internal Revenue Service, including IRAs, employer retirement plans, and retirement plans for self-employed individuals, is not considered in determining net family assets. Any income earned on the funds while stored in such a retirement account is not considered actual income from assets. However, any distribution of periodic payments from the retirement account is considered income at the time it is received by the family (§ 5.609(b)(26)).

Scenario

Prior quarter ending balance of 401(k) account: \$157,500

Prior quarter yield: 5 percent (\$7,500)

Distributions made to family: \$12,000 in prior year, same amount is anticipated to be received this year.

Result: In this example, the family's income reexamination will not include the 401(k), because the value of the 401(k) and the earnings will be considered neither net family assets nor income to the family; however, the family's income reexamination will include the \$12,000 in distributions (unearned income) which has been paid from the retirement account in increments of \$1,000 monthly to the family.

Example F4: Civil Rights Settlements

Background: A civil rights settlement, regardless of how the settlement is paid (lump sum or several distributions), is excluded from annual income; however, the amounts would be considered part of net family assets, if held in a savings account, revocable trust, or in some other asset that is not excluded from the definition of net family assets.

Scenario

Jessica receives a civil rights settlement in the amount of \$20,000, because she was not provided a reasonable accommodation. Jessica deposits the \$20,000 into her savings account, which already contains \$5,000, and earns 0.5 percent interest annually.

Total civil rights settlement received: \$20,000 (excluded from income under § 5.609(b)(25))

Value of savings account: \$25,000 (which includes the \$20,000 settlement)

Actual income earned from savings account: $\$25,000 \times 0.005 = \125 included in annual income

Result: In this example, the family's income reexamination will not include the amount received from the civil rights settlement, because the funds are not considered income under § 5.609(b)(25). However, the value of the savings account where the settlement was deposited will be used in the calculation of net family assets, and the actual income earned from interest accrual (as self-certified by the family) will be included in the family's annual income.

Example F5: Life Insurance

Background: The cash value of life insurance policies that are available to the participant before death are included in net family assets (e.g., the surrender value of a whole life policy or a universal life policy). Net family assets will not include the value of term life insurance, which has no cash value to the individual before death.

Scenario A: The Johnson family has a whole life insurance policy with a face value of \$100,000 and a surrender value of \$30,000. Net family assets will include \$30,000 for the life insurance policy. The Johnson's family policy also pays an annual dividend of \$100. This will be included as actual income.

Scenario B: The Dexter family has a term life insurance policy with a face value of \$100,000 payable upon death. The total amount included in the family's net family assets for this insurance policy will be \$0.

F.5 Passbook Rate

Regulation: 24 CFR § 5.609(a)(2)

Summary: HUD will annually publish a passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate for savings accounts, which is an average of national savings rates published on a monthly basis. PHAs/MFH Owners must use the HUD-published passbook rate when calculating imputed asset income for net family assets that exceed \$50,000 (a figure that is annually adjusted for inflation). The HUD-published passbook rate will be posted to a dataset on the HUD User Web site, alongside annual inflationary adjustments (see [Attachment H](#)).

To determine the passbook rate for the next calendar year, HUD will average the most recent three months of FDIC updates to the National Deposit Rate for savings accounts, rounded to the nearest hundredth of 1 percent. In order to ensure updated passbook rates may be used for reexaminations with an effective date of January 1, HUD will calculate the update in July each year, using FDIC data from April, May, and June for publication on HUD User not later than September 1.

For 2024, the passbook rate will be 0.40 percent. Below is an explanation of how the passbook rate was calculated for 2024. For reexaminations that occur after January 1, 2024, but before the date on which the PHA/MFH Owner implements the new passbook

rate, PHAs may continue to set their own passbook rates, and MFH Owners must continue to use the 0.06 percent passbook rate. PHAs may also choose to implement the 2024 HUD passbook rate before complying with HOTMA as they have the flexibility to set their own passbook rate.

Table F3: Calculation of Passbook Rate for 2024

FDIC Monthly Update, Date of Publication	National Deposit Rate, Savings Accounts
4/17/2023	0.39 percent
5/15/2023	0.40 percent
6/20/2023	0.42 percent
HUD Passbook Rate (average of 3 months of FDIC National Deposit Rates)	0.40 percent

PHA/MFH Owner Discretion: None. PHAs were previously permitted to set their own passbook rates within a HUD-published range; effective with the final rule, PHAs/MFH Owners will be required to use the HUD-published passbook rate. The final rule supersedes Notice H 2016–01 (Passbook Saving Rate Effective February 1, 2016).

F.6 Actual and Imputed Income from Assets

Regulation: 24 CFR § 5.609(a)(2)

Summary: Actual income and imputed income are treated as described below.

F.6.a Actual Income

Actual income from assets is always included in a family’s annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR § 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The following examples illustrate how to calculate actual income from assets.

Example F6: Actual Asset Income from an Asset Excluded from Net Family Assets

Background: Eugene Park owns a checking account with \$3,500 that earns 0 percent interest. He also has a savings account with a balance of \$10,000 for which he expects to earn \$300 in annual interest. Mr. Park has no other assets. Because those assets are classified as non-necessary personal property, and their combined value of \$13,500 does not exceed \$50,000, the combined value of all non-necessary personal property is excluded from the calculation of net family assets (see paragraph F.4.c (Necessary and Non-Necessary Personal Property) of this notice). The total value of Eugene Park’s net family assets is \$0, and \$300 is included in annual income.

<u>Scenario</u>
Total value of assets: \$3,500 + \$10,000 = \$13,500
Net family assets: \$0.00 (total value of assets is less than \$50,000, therefore the value is excluded from net family assets)
<u>Result:</u> Actual income from assets (must be included in the calculation of annual income for Eugene Park): \$300 (\$0 from checking account + \$300 from savings account)

**Example F7: Calculating Net Family Assets and Actual Asset Income
when Net Family Assets Exceed \$50,000 (As Adjusted)**

<u>Background:</u> Sherry McNeil received a federal tax refund of \$1,200 and deposited the refund into her checking account. At the time of her annual reexamination six months later, the account had a balance of \$10,000 and earns 0-percent interest. Sherry also owns a stock portfolio with a verified value of \$45,000. The stocks earned \$405 in cash dividends last year, which Sherry expects to earn again in the coming year.
<u>Scenario</u>
Total value of assets: \$55,000 (\$10,000 + \$45,000)
Net family assets: \$53,800 (\$55,000 – \$1200) (tax refund received in the last 12 months is excluded from net family assets under § 5.603(b)(3)(xi).) Because the total value of Sherry's non-excluded assets exceeds \$50,000, this value (\$53,800) is included as net family assets and must be confirmed via third-party verification.
Actual Income from Checking Account: \$0 earned (\$10,000 x 0 percent)
Actual Income from Stock Portfolio: \$405 earned in dividends last year on \$45,000
<u>Result:</u> Total actual income from assets (must be included in the calculation of annual income for Sherry McNeil): \$405 (\$0 + \$405)

F.6.b Imputed Income

Imputed income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, imputed asset income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds \$50,000 (as adjusted for inflation);
- The specific asset is included in net family assets; and
- Actual asset income cannot be calculated for the specific asset.

Imputed asset income is calculated by multiplying the net cash value of the asset, after deducting reasonable costs that would be incurred in disposing of the asset, by the HUD-published passbook rate (see Table F3 above). If the actual income from assets can be computed for some assets but not all assets, then PHAs/MFH Owners must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After the PHA/MFH owner has calculated both the actual income and imputed income, the housing provider must combine both

amounts to account for income on net family assets with a combined value of over \$50,000.

When the family's net family assets do not exceed \$50,000 (as adjusted for inflation), imputed income is not calculated. Imputed asset income is never calculated on assets that are excluded from net family assets. When actual income for an asset — which can equal \$0 — can be calculated, imputed income is not calculated for that asset.

Example F8: Combining Actual and Imputed Asset Income

Background: The Jorgensen family owns a small piece of vacant land with a cash value of \$25,000. The family also owns a savings account with a verified balance of \$55,000, with an interest rate of 0 percent. The family's total net assets are \$80,000. The PHA/MFH Owner can calculate the actual income of the savings account as \$0, as seen below. The PHA/MFH Owner is unable to calculate the actual income earned for the property owned by the family, because the property neither generates any income for them nor could an income amount be computed as a matter of interest or dividend earnings. Therefore, imputed asset income for the real property must be calculated. The passbook savings rate in effect is 0.10 percent.

Scenario

Actual Income from savings account: $\$55,000 \times 0 \text{ percent} = \0 actual income of savings account

Imputed income from family's property: $\$25,000 \times 0.001 = \25 imputed income

Result: Total asset income (must be included in the calculation of annual income for the Jorgensen family): $\$25 (\$0 + \$25)$

PHAs/MFH Owners should not conflate an asset with an actual return of \$0 (as in the example above), with an asset for which an actual return cannot be computed, such as could be the case for some non-financial assets that are items of non-necessary personal property. If the asset is a financial asset and there is no income generated (for example, a bank account with a 0 percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is \$0. When the stock never issues dividends, the actual return is consistently \$0.

Example F9: Imputing Income when Actual Income Cannot Be Calculated

Background: The Conrad family owns a recreational boat with a Kelley Blue Book value of \$15,000. They also own a checking account with \$10,000 that earns 0 percent interest and a savings account with \$30,000 that earns 3 percent interest, putting their net family assets value at \$55,000. No actual returns on the boat can be computed, however actual income can be calculated for the savings account. The passbook savings rate in effect is 0.10 percent.

Scenario

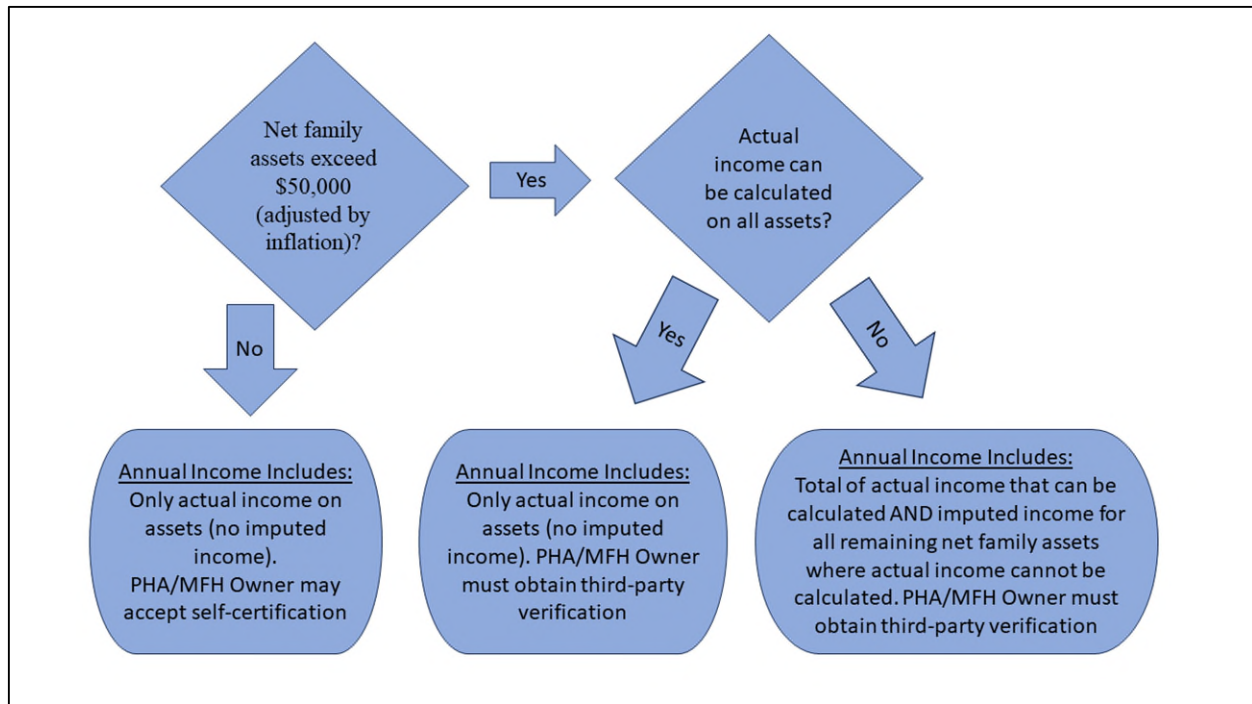
Actual income from assets: $\$900 ((\$10,000 \times 0 \text{ percent}) + (\$30,000 \times 0.03))$

Imputed income from assets: \$15 (\$15,000 x 0.001)

Result: Total income from assets (must be included in the calculation of annual income for the Conrad family): \$915 (\$900 + \$15)

The following chart illustrates different net family asset scenarios and whether to include actual and/or imputed assets in the family's annual income determination.

Chart F1: Decision Chart for Determining Income from Assets



PHA/MFH Owner Discretion: None.

F.7 Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (as adjusted for inflation)

Regulations: 24 CFR §§ 5.603; 5.609; 5.618; 5.659(e); 882.515(a); 882.808(i)(1); 891.105; 891.655; 960.259(c)(2); and 982.516(a)(3)

Summary: PHAs/MFH Owners may determine net family assets based on a self-certification by the family that the family's total assets are equal to or less than \$50,000, adjusted annually for inflation, without taking additional steps to verify the accuracy of the declaration at admission and/or reexamination. PHAs/MFH Owners are not required to obtain third-party verification of assets if they accept the family's self-certification of net family assets. When PHAs/MFH Owners accept self-certification of net family assets at reexamination^{F4}, the PHA/MFH Owner must fully verify the family's assets every three years.

^{F4} See 24 CFR § 5.659(e); 960.259(c)(2); 982.516(a)(3).

PHAs/MFH Owners may follow a pattern of relying on self-certification for two years in a row and fully verifying assets in the third year.

The family's self-certification must state the amount of income the family anticipates receiving from such assets. The actual income declared by the family must be included in the family's income, unless specifically excluded from income under 24 CFR § 5.609(b). PHAs/MFH Owners must clarify, during the self-certification process, which assets are included/excluded from net family assets.

PHAs/MFH Owners may combine the self-certification of net family assets and questions inquiring about a family's present ownership interest in any real property into one form.

Example F10: Self-Certification of Net Family Assets

We know from Example F1 that the Cross family's net family assets are \$0. In this case, the checking account earns 0.07 percent interest annually.			
<u>Cross Family's Personal Property</u>			
Item	Estimated Value	Type	Amount to be Considered as Non-Necessary Personal Property
Checking account	\$5,000	Non-necessary personal property	\$5,000
Ring (engagement ring)	\$3,000	Necessary personal property	\$0
Recreational boat	\$15,000	Non-necessary personal property	\$15,000
Total Non-necessary personal property			\$20,000
<u>Calculation of Cross Family's Total Net Assets</u>			
Asset	Total to be considered in Net Family Assets		Anticipated Income
Non-necessary Personal Property (Checking Account)	\$0		\$3.50
Real Property	N/A		N/A
Total:	\$0		\$3.50
The PHA/MFH Owner may accept a self-certification of assets from the Cross family if the PHA/MFH Owner has a policy to do so (see paragraph below this example for PHA/MFH Owner Discretion on accepting self-certification). The self-certification must include any anticipated income from assets. In this example, if the PHA/MFH Owner is accepting a self-certification of assets, then the calculations above would not need to be included on the self-certification form. Only the total anticipated income from assets must be included on the form.			

Note that in this instance, even though the checking account is excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed \$50,000), the family must report actual asset income from the checking account (in this case, \$3.50).

PHA/MFH Owner Discretion: PHAs/MFH Owners are not required to adopt a policy to allow for self-certification of net family assets for families with net family assets that are equal to or below \$50,000, adjusted annually for inflation. PHAs/MFH Owners who choose not to accept self-certifications of assets must verify all families' assets on an annual basis. Third-party verification of assets is required when net family assets exceed \$50,000, adjusted annually by HUD.

Accepting a family's self-certification at admission may reduce the initial burden on applicants and speed up the lease-up process. In deciding whether to accept a self-certification of assets at admission, PHAs/MFH Owners are encouraged to consider the local needs and priorities in their communities along with the potential risks of accepting self-certification of net family assets, including the requirement to repay funds for participants/tenants who are later found to be ineligible for assistance.

PHAs/MFH Owners must include in their ACOPs, Administrative Plans, or Tenant Selection Plans, as applicable, whether and when they accept a self-certification of assets equal to or less than \$50,000, which amount will be adjusted annually by HUD. See [Attachment H](#) (Inflationary Adjustments) of this notice for more information.

ATTACHMENT G: TOPIC: INCOME EXCLUSIONS

Regulations

24 CFR §§ 5.609(b)(4)–(5); 5.609(b)(7)–(10); 5.609(b)(14)–(15); 5.609(b)(17); 5.609(b)(19)–(24); 5.609(b)(24)(i)–(vii); 5.609(b)(25); 5.609(b)(27)–(28); 5.611; 891.105 and 891.655

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

The section below provides descriptions and clarifying information for new and updated income exclusions referenced in 24 CFR § 5.609(b). Please note that this section does not address all income exclusions listed in 24 CFR § 5.609(b) but only those that are newly added or updated by the final rule.

PHAs/MFH Owners must revise their interview guides and individual verification forms to ensure that adequate information will be collected to make appropriate income exclusion determinations.

Subtopics

G.1 Nonrecurring Income

Regulation: 24 CFR §§ 5.609(b)(24) and CFR 891.105

Summary: The nonrecurring income exclusion replaces the former exclusion for temporary, nonrecurring, and sporadic income (including gifts), but it provides a narrower definition of excluded income in contrast to the former broad exclusion of temporary, nonrecurring, or sporadic income.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. However, income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under § 5.609(b)(24), even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended. For example, an increasing number of cities and states are piloting guaranteed income

programs that have discrete beginning and end dates. This income can be excluded as nonrecurring in the final year of the pilot program. For example, for an annual reexamination effective 2/1/2024, guaranteed income that will be repeated in the coming year but will end before the next reexamination on 2/1/2025 will be fully excluded from annual income.

Income amounts excluded under this category may include, but are not limited to, nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities, eviction prevention, security deposits to secure housing, payments for participation in research studies depending on the duration, and general one-time payments received by or on behalf of the family.

The following list of exclusions is codified at 24 CFR § 5.609(b)(24) as nonrecurring income. Please note that the list is not exhaustive:

- Payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment;
- Direct federal or state economic stimulus payments;
- Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received;
- Amounts directly received by the family as a result of federal refundable tax credits or federal tax refunds at the time they are received;
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding, baby shower, or anniversary gifts);
- In-kind donations (e.g., food, clothing, or toiletries received from a food bank or similar organization); and
- Lump-sum additions to net family assets (e.g., lottery winnings, contest winnings, etc.).

PHAs/MFH Owners may accept a self-certification from the family stating that the income will not be repeated in the coming year.

Example G1: Recurring and Nonrecurring Income

Scenario A: Non-recurring earned income excluded from annual income: Justin Clark worked for four months over the past year for a company that has since gone out of business. During the Clark family's reexamination interview, the PHA/MFH Owner asks Justin whether he expects to work for the company again in the coming year. Justin provides proof that the company went out of business. The PHA/MFH Owner must exclude Justin's earned income received from the company that went out of business from the family's annual income.

Scenario B: Recurring earned income included in annual income: Ana Johnson works as an independent information technology (IT) contractor during various times of the year, when her clients require additional IT contract support. Ana reasonably believes that she will be contracted again the following year based on discussions with her clients. The PHA/MFH Owner must include the income that Ana earns as an IT contractor in the family's annual income.

Scenario C: Guaranteed Basic Income (GBI) excluded from annual income: Lucretia Jones reports at her upcoming annual reexamination effective on 5/1/24 that her GBI program will be ending

on 1/31/25. The PHA/MFH Owner excludes this income because the programs will stop before the next annual reexamination on 5/1/25. This income must be excluded, because there is a set term for the program, and the payments will not be repeated beyond the coming year, which is the final year of a GBI program.

Scenario D: Research stipend included as annual income: Lillian Gonzalez reports at the annual reexamination that will be effective on 5/1/24 that she receives monthly payments for participation in a research project that is expected to last for 18 months and will end on 9/30/25. The PHA/MFH Owner includes this as income because the amounts will be received through the next annual reexamination on 5/1/25. For the 5/1/25 annual reexamination, the family provides a letter stating that the income will end on 9/30/25, so the PHA/MFH Owner will exclude the income received after the 5/1/25 annual reexamination.

PHA/MFH Owner Discretion: None.

G.1.a Nonrecurring Income: Temporary U.S. Census Bureau Employment

Regulation: 24 CFR § 5.609(b)(24)(i)

Summary: Payments from the U.S. Census Bureau for employment relating to the decennial census or the American Community Survey lasting no longer than 180 days and not culminating in permanent employment are excluded from annual income. However, it should be noted that any permanent employment with the U.S. Census Bureau should be considered in the annual income calculation.

PHA/MFH Owner Discretion: None.

G.1.b Nonrecurring Income: Economic Stimulus or Recovery Payments

Regulation: 24 CFR § 5.609(b)(24)(ii)

Summary: Direct federal or state payments intended for economic stimulus or recovery are excluded from annual income.

HUD will continue to advise PHAs/MFH Owners of which payments are considered economic stimulus or recovery payments for the purposes of income calculation.

PHA/MFH Owner Discretion: None.

G.1.c Nonrecurring Income: State Tax Refunds

Regulation: 24 CFR § 5.609(b)(24)(iii)

Summary: Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received are excluded from annual income.

PHA/MFH Owner Discretion: None.

G.1.d Nonrecurring Income: Federal Tax Refunds

Regulation: 24 CFR § 5.609(b)(24)(iv)

Summary: Amounts directly received by the family as a result of federal refundable tax credits and federal tax refunds at the time they are received are excluded from annual income.

PHA/MFH Owner Discretion: None.

G.1.e Nonrecurring Income: Gifts

Regulation: 24 CFR § 5.609(b)(24)(v)

Summary: Gifts for holidays, birthdays, or other significant life events or milestones (e.g., weddings, baby showers, anniversaries) are excluded from annual income.

Example G2: Gifts for Holidays, Birthdays, or Other Significant Life Events or Milestones

Mariah Smith received a check for \$250 on her 25th birthday from her favorite aunt and \$30 from her cousin. These gifts are excluded from annual income.

PHA/MFH Owner Discretion: None.

G.1.f Nonrecurring Income: In-Kind Donations

Regulation: 24 CFR § 5.609(b)(24)(vi)

Summary: Non-monetary in-kind donations, such as food or toiletries, received from a food bank or similar organization are excluded from annual income. When calculating annual income, PHAs/MFH Owners are prohibited from assigning monetary value to non-monetary in-kind donations received by the family from a food bank or similar organization.

Non-recurring, non-monetary in-kind donations from friends and family may be excluded as non-recurring income. See (24 CFR § 5.609(b)(24)).

Example G3: In-Kind Donations

Jonas Crandall receives a basket weekly from the local food bank that includes both food and toiletries. Because this is an in-kind donation from the local food bank, the PHA/MFH Owner must not include the basket items in the calculation of annual income.

PHA/MFH Owner Discretion: None.

G.2 Lump-Sum Additions to Net Family Assets

Regulation: 24 CFR § 5.609(b)(24)(vii)

Summary: Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings, are excluded from annual income. These amounts may count toward net family assets in accordance with 24 CFR § 5.603.

Example G4: Lump-Sum Additions to Net Family Assets

Scenario A: Trevor Lucky bought 10 lottery tickets and discovered that one of the tickets won Trevor \$1,000. Trevor reported his winnings as part of an interim reexamination. The PHA/MFH Owner determined that the lottery winnings are a one-time, lump-sum addition to net family assets and should not be included in the annual income calculation.

Scenario B: Logan fundraises \$5,000 online to help pay for personal expenses (e.g., “Go Fund Me”). The PHA/MFH Owner verified with Logan that this was a one-time solicitation for donations of cash and

that Logan does not intend for this to be a recurring source of income. The \$5,000 is a one-time, lump-sum addition to net family assets and should not be included in the annual income calculation.

Scenario C: At the next annual reexamination, the PHA/MFH Owner determines that Logan solicited for donations online a second time and raised an additional \$4,500. Again, Logan certified that he does not intend for this to be a recurring source of income, but, because the PHA/MFH Owner can establish a pattern, the \$4,500 is **not** considered a lump-sum addition to net family assets and **should** be included in the annual income calculation.

PHA/MFH Owner Discretion: None.

G.3 Income Earned on Amounts Placed in a Family's Family Self Sufficiency (FSS) Account

Regulation: 24 CFR § 5.609(b)(27)

Summary: Income earned on amounts placed in a family's FSS account is excluded from the family's calculation of annual income.

PHA/MFH Owner Discretion: None.

G.4 Income of Live-in Aides, Foster Children, and Foster Adults

Regulation: 24 CFR § 5.609(b)(8)

Summary: Income of a live-in aide, foster child, or foster adult as defined in 24 CFR §§ 5.403 and 5.603 is excluded from the family's calculation of annual income.

PHA/MFH Owner Discretion: None.

G.5 Payments Received for the Care of Foster Children or Foster Adults or State or Tribal Kinship or Guardianship Care Payments

Regulation: 24 CFR § 5.609(b)(4)

Summary: Payments received for the care of foster children or foster adults, or state or Tribal kinship or guardianship care payments, are excluded from annual income.

This income exclusion also applies to Kinship Guardian Assistance Payments (Kin-GAP), kinship care payments, and other state-based kinship or guardianship payments that are alternatives to traditional foster care programs.

PHA/MFH Owner Discretion: None.

G.6 Insurance Payments or Settlements

Regulation: 24 CFR § 5.609(b)(5)

Summary: Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

Example G5: Insurance Payments or Settlements

Bethanne Williams received a settlement from her insurance company in the amount of \$2,500 because of a car accident. Bethanne's car accident settlement payment is excluded from annual income.

Example G6: Workers' Compensation Received In Lieu of Wages

Tobias Reynolds was injured in a work accident. He is receiving bi-weekly workers' compensation payments. These amounts are excluded from annual income.

PHA/MFH Owner Discretion: None.

G.7 Civil Action Recoveries or Settlements

Regulation: 24 CFR § 5.609(b)(7)

Summary: Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a person with disabilities are excluded from annual income. Any amounts recovered are excluded irrespective of whether they are received periodically or in a lump sum payment.

Example G7: Civil Action Recoveries or Settlements

Jacob Mitchell became a person with disabilities due to a construction site accident. He received \$60,000 from a civil negligence case. The \$60,000 received by Jacob is excluded from annual income.

PHA/MFH Owner Discretion: None.

G.8 Earned Income of Dependent Full-Time students

Regulation: 24 CFR § 5.609(b)(14)

Summary: Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611 is excluded from annual income. Full-time students must be dependent family members for this exclusion to apply. This exclusion does not apply to the head of household, spouse, or co-head. This means that the first \$480 of the income earned by dependent full-time students will be included in the family's calculation of annual income.

The dependent deduction will be adjusted annually in accordance with the (CPI-W). See [Attachment H](#). Full-time dependent students are eligible to receive both the \$480 (as adjusted for inflation) dependent deduction and the exclusion described in this paragraph.

PHA/MFH Owner Discretion: None.

G.9 Adoption Assistance Payments

Regulation: 24 CFR § 5.609(b)(15)

Summary: Adoption assistance payments in excess of \$480 per adopted child are excluded from the family's calculation of annual income. This amount will be adjusted annually in accordance with the CPI-W. See [Attachment H](#).

All dependents, including adopted family members, are eligible to receive the \$480 (as adjusted for inflation) dependent deduction and the exclusion described in this paragraph.

PHA/MFH Owner Discretion: None.

G.10 Veterans Regular Aid and Attendance

Regulation: 24 CFR § 5.609(b)(17)

Summary: Payments to veterans in need of regular aid and attendance are excluded from annual income under 38 U.S.C. 1521. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse.

Certain veterans are eligible for “aid and attendance” payments from the Veterans Affairs (VA) Administration. These payments are distinct from payments made to veterans under other VA programs, including the Veterans Pension program. PHAs/MFH Owners should carefully review any income documentation provided by the family, because many types of VA income, including the Veterans Pension and the VA Survivors Pension, are included in annual income.

PHA/MFH Owner Discretion: None.

G.11 Home-Based Care Payments for a Family Member(s) with a Disability(ies)

Regulation: 24 CFR § 5.609(b)(19)

Summary: Payments made by or authorized by a state Medicaid agency (including through a managed-care entity) or other state or federal agency to a family to enable a family member who has a disability to reside in the family’s assisted unit are excluded from the calculation of the family’s annual income. Authorized payments may include payments to a member of the assisted family through the state Medicaid agency (including through a managed-care entity) or other state or federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family’s assisted unit.

A family member with a disability qualifies for this income exclusion. Amounts received may be intended for items such as services, equipment, and compensation provided to a family member. The payments are excluded from income as long as the amounts are provided to enable a family member with a disability to remain in the family’s assisted unit. Both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household.

PHA/MFH Owner Discretion: None.

G.12 Loan Proceeds

Regulation: 24 CFR § 5.609(b)(20)

Summary: Loan proceeds (the net amount disbursed by a lender to a borrower under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family to finance the purchase of a car) are excluded from annual income. The

loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable.

Loan proceeds may include, but are not limited to, personal loans (with a loan agreement) and student loans, regardless of whether the proceeds are received in the form of a refund to the student.

PHA/MFH Owner Discretion: None.

G.13 Certain Payments Received by Tribal Members

Regulation: 24 CFR § 5.609(b)(21)

Summary: Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code (IRC) or other federal law, are excluded from annual income.

Generally, payments received by tribal members in excess of the first \$2,000 of per-capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained below, payments made under the Cobell Settlement, and certain per-capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of annual income in 24 CFR 5.609, the Census Long Form, and the IRS Form 1040, including the programs affected by this notice.^{G1}

The following two subsections describe the circumstances when settlement payments paid to Tribal members are excluded from annual income through federal law or as required under the IRC.

G.13.a Cobell Settlement

In *Elouise Cobell et al. v. Ken Salazar et al.*,^{G2} a class of individual members of Indian tribes filed suit against the United States for its failure to adequately manage certain trust assets. The settlement was authorized pursuant to the Claims Resolution Act of 2010 (Pub. L. 111–291). In accordance with the Act, lump-sum or periodic payments received by an individual Indian under the Cobell Settlement are statutorily excluded from counting toward a family's annual income, or as a resource, for purposes of determining initial eligibility or level of HUD assistance, for a period of one year from the time of receipt of that payment. This exclusion from income applies to all HUD programs and is included in the

^{G1} A payment received by a tribal member from the tribe for distribution of Indian gaming profits is not a per-capita payment within the meaning of the Per Capita Distribution Act and does not qualify for income exclusion. If a family member who is a tribal member receives the Internal Revenue Service (IRS) Form 1099–MISC, Miscellaneous Income, from the tribe for reporting Indian gaming profits, then this payment must be counted toward the family's annual income.

^{G2} https://naturalresources.house.gov/uploadedfiles/cobellsettlementagreement_120709.pdf.

list of federally mandated exclusions from annual income that HUD periodically publishes in the *Federal Register*.^{G3}

G.13.b Tribal Trust Settlements

The United States has entered into settlements with a number of federally recognized Indian tribes, settling litigation in which the tribes alleged that the Department of the Interior and the Department of the Treasury mismanaged monetary assets and natural resources the United States holds in trust for the benefit of the tribes. In some circumstances, proceeds from these settlements have resulted in, or will result in, per-capita payments to Indian families by Indian tribes. To date, at least 70 Indian tribes have settled Tribal Trust cases.

24 CFR 5.609(b)(21) requires that certain payments received by Tribal members, to the extent that such payments are excluded from gross income under the IRC, must be excluded from family income. The Internal Revenue Service (IRS) issued guidance in IRS Notice 2013–1, “Per Capita Payments from Proceeds of Settlements of Indian Tribal Trust Cases,” advising that per-capita payments made from the proceeds of the enumerated Tribal Trust Settlements are excluded from the gross income of the members of the tribe receiving the per-capita payments under 25 USC 117b(a) and 25 USC 1407.

IRS Notice 2013–1 also clarifies, however, that per-capita payments that exceed the amount of the Tribal Trust Settlement proceeds and that are made from an Indian tribe’s private bank account in which the tribe has deposited the settlement proceeds are included in the gross income of the members of the tribe receiving the per-capita payments. For example, if an Indian tribe receives proceeds under a settlement agreement, invests the proceeds in a private bank account that earns interest, and subsequently distributes the entire amount of the bank account as per-capita payments, then a member of the tribe excludes from gross income that portion of the member’s per-capita payment attributable to the settlement proceeds under 25 USC 117b(a) and 25 USC 1407 and must include the remaining portion of the per-capita payment in gross income in accordance with the guidance provided in IRS Notice 2013-1. Per-capita payments not excluded from gross income in accordance with the IRC should be reviewed for potential exclusion as “nonrecurring income” (24 CFR § 5.609(b)(24)) or as “lump sum additions to net family assets” (24 CFR § 5.609(b)(24)(vii)).

The IRS last updated the list of Indian tribes who have entered into Tribal Trust Settlements with the United States in 2013,^{G4} and for whom per-capita Tribal Trust payments are excluded from gross income. PHAs/MFH Owners should ensure they are reviewing the current list of Tribal Trust Settlements when determining whether a family’s per-capita proceeds should be excluded from annual income.

^{G3} Last published on 5/20/2014: <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing>.

^{G4} See IRS Notice 2013-55, available at: <http://www.irs.gov/pub/irs-drop/n-13-55.pdf>.

Example G8: Tribal Trust Settlements

Scenario A: An Indian tribe received \$1.2 million from a Tribal Trust Settlement. The Indian tribe immediately distributed per-capita payments to its members. The Tribal Trust Settlement is treated in accordance with the guidance in IRS Notice 2013–1 and excluded from adjusted gross income under 25 USC 117b(a) and 25 USC 1407. Therefore, the per-capita payments to members are excluded from annual income.

Scenario B: An Indian tribe received \$10 million from a Tribal Trust Settlement. The Indian tribe invested the settlement funds at a private institution. After a year, the Indian tribe distributed the settlement funds plus earned interest to its members. IRS Notice 2013–1 provides guidance that per capita payments that exceed the amount of the Tribal Trust case settlement proceeds and that are made from an Indian tribe's private bank account in which the tribe has deposited the settlement proceeds are not excluded from adjusted income under 25 USC 117b(a) and 25 USC 1407, so the interest payments to members are not excludable from annual income under 24 CFR 5.609(b)(21). The PHA/MFH Owner must determine whether the per-capita interest payments to members should be included in the family's income or excluded from income under a different regulatory provision such as 24 CFR 5.609(b)(24).

Please note that the first \$2,000 of per capita payments are also excluded from assets, except when these per capita payments are in excess of the settlement amount and are included (IRS Notice 2013–1, 25 USC 117b(a), and 25 USC 1407).

PHA/MFH Owner Discretion: None.

G.14 Exclusions from Other Federal Statutes

Regulation: 24 CFR § 5.609(b)(22)

Summary: This exclusion applies to all amounts that HUD is required by federal statute to exclude from annual income. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

PHA/MFH Owner Discretion: None.

G.15 Replacement Housing Gap Payments

Regulation: 24 CFR § 5.609(b)(23)

Summary: Replacement housing “gap” payments made in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), as implemented by 49 CFR Part 24, are excluded from annual income. “Gap” payments offset the increased out-of-pocket costs of displaced persons who move from one federally subsidized housing unit to another federally subsidized housing unit.

However, replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

Replacement housing “gap” payments should cover a minimum of 42 months of tenancy at the new unit.

Example G9: Replacement Housing Gap Payments

The Patel family was displaced from their Project-Based Voucher unit as the result of a HUD-funded acquisition and rehabilitation of the property that will last longer than one year. The family subsequently obtained a Housing Choice Voucher (HCV) and moved into a home where the owner accepts HCVs. The Patels' rent and utility expenses are \$100 higher in their new unit. The Patels receive replacement housing "gap" payments of \$100 intended to cover the difference between the Patels' former rent and utility expenses in their Project-Based Voucher unit and their current rent and expenses under their HCV assistance. The "gap" payments must be excluded from the family's annual income for the period during which gap payments are provided under the URA (42 months) or the increased cost of rent and utilities is reduced or eliminated, whichever is shorter.

PHA/MFH Owner Discretion: None.

G.16 Student Financial Assistance

Regulation: 24 CFR § 5.609(b)(9)

Summary: The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student. The student financial assistance rules apply to both full-time and part-time students.

The two types of student financial assistance applicable to MFH and PIH programs are described below.

G.16.a Amounts Received Under Section 479B of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087uu)

Section 479B provides that certain types of student financial assistance are to be excluded in determining eligibility for benefits made available through federal, state, or local programs financed with federal funds. The types of financial assistance listed below are considered 479B student financial assistance programs; however, this list is not exhaustive, and 479B will be updated as of July 1, 2024.

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Student financial assistance received under the Bureau of Indian Education;
- Higher Education Tribal Grant;
- Tribally Controlled Colleges or Universities Grant Program;
- Employment training program under section 134 of the Workforce Innovation and Opportunity Act (WIOA).

G.16.b Other Student Financial Assistance

Other student financial assistance includes grants or scholarships received from the following sources:

- The Federal government;
- A state (including U.S. territories), Tribe, or local government;
- A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
- A business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Other student financial assistance does not include:

- Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA); or
- Gifts, including gifts from family or friends.

Note: Other student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. The PHA/MFH Owner must verify that the other student financial assistance is for the student's actual covered costs.

The following sections describe the treatment of the two above-described types of student financial assistance by program type.

G.16.c Non-Section 8 Programs Subject to this Notice

All assistance received under 479B of the HEA by students participating in the Public Housing or non-Section 8 programs administered by MFH is excluded from income. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is not excluded from income. Prior to the final rule, the full amount of student financial assistance paid directly to the student or to the educational institution was excluded.

Actual covered costs include: tuition, books, supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and fees required and charged to a student by an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1087uu)). For a student who is not the head of household, co-head, or spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. This formula is illustrated in chart 2, below.

Chart G1: Steps in Calculating Amount of Other Student Financial Assistance

Step 1: Subtract the **amount received under section 479B of the HEA** from the **actual covered costs** to arrive at the **amount of actual covered costs exceeding section 479B assistance**.

If the amount of assistance received under section 479B of the HEA exceeds the actual covered costs and the student did not receive any other student financial assistance, then step 2 is not necessary; none of the student financial assistance will be included in income, because the assistance received under section 479B of the HEA is excluded from income for students participating in the Public Housing and non-Section 8 programs administered by MFH.

Step 2: Subtract the **actual covered costs exceeding section 479B assistance** from the amount of **other student financial assistance** to arrive at the amount of **student financial assistance included in income**.

Step 2 requires the amount of other student financial assistance received by the student to be subtracted from the amount of actual covered costs paid by other means. If the resulting number in Step 2 is a positive amount, then that is the amount that should be included in the family's income. If the resulting number in Step 2 is zero or a negative amount, then there will be no student financial assistance included in income (i.e., all student financial assistance is excluded from annual income).

The following examples illustrate the treatment of student financial assistance for Public Housing and non-Section 8 programs:

Example G10: Treatment of Student Financial Assistance in Non-Section 8 Programs

Juan is a full-time student, and he received the following grants and scholarships to cover his first year of college: Federal Pell Grant: \$25,000; University Scholarship: \$15,000; Rotary Club Scholarship: \$3,000.

Total assistance received under 479B of HEA:
\$25,000 (Federal Pell Grant)

Total other student financial assistance received:
\$18,000

Juan's actual covered costs: \$28,000

Step 1: Determine amount of actual covered costs exceeding section 479B assistance.

\$28,000 (actual covered costs) **minus** \$25,000 (total assistance received under 479B of HEA) **equals** \$3,000

Step 2: Determine amount of student financial assistance to include in income.

\$18,000 (other student financial assistance received) **minus** \$3,000 (actual covered costs exceeding section 479B assistance) **equals** \$15,000 (if negative, then use \$0)

Amount of student financial assistance included in Juan's income: \$15,000

**Example G11: Treatment of Student Financial Assistance in
Non-Section 8 Programs**

Sarah is a part-time student, and she received the following amounts to cover her first year of college: Federal Perkins Loan: \$2,000; Scholarship from Local Car Dealership: \$500; Gift from Aunt Lois: \$1,000. The \$1,000 is a gift from Aunt Lois, so it is not considered student financial assistance, and it is not considered in this calculation. Note: If Aunt Lois gives Sarah the \$1,000 gift as a one-time, lump-sum payment, it would be excluded from income under 24 CFR § 5.609(b)(24)(vii).	
Total assistance received under 479B of HEA: \$2,000 (Federal Perkins Loan) Total other student financial assistance received: \$500 Total non-student financial assistance: \$1,000 Total student financial assistance: \$2,500	Sarah's actual covered costs: \$3,000
Step 1: Determine amount of actual covered costs exceeding section 479B assistance. \$3,000 (actual covered costs) minus \$2,000 (total assistance received under 479B of HEA) equals \$1,000	Step 2: Determine amount of student financial assistance to include in income. \$500 (other student financial assistance received) minus \$1,000 (amount of actual covered costs exceeding section 479B assistance) equals – \$500 (if negative, then use \$0)
The amount of student financial assistance received by Sarah is less than her actual covered costs after deducting assistance received under 479B of the HEA and other student financial assistance received, therefore there is no student financial assistance to include in income. Amount of student financial assistance included in Sarah's income: \$0	

**Example G12: Treatment of Student Financial Assistance
in Non-Section 8 Programs**

Dante is a full-time student, and he received the following amounts to cover his first year of college: Federal Pell Grant: \$9,000; Federal Perkins Loan: \$13,000; Local Library Scholarship: \$1,000.	
Total assistance received under 479B of HEA: \$22,000 (Federal Pell Grant plus Federal Perkins Loan) Total other student financial assistance received: \$1,000	Dante's actual covered costs: \$16,000
Step 1: Determine amount of actual covered costs exceeding section 479B assistance. \$16,000 (actual covered costs) minus \$22,000 (total assistance received under 479B of HEA) equals \$–6,000	Step 2: Determine amount of student financial assistance to include in income. Not necessary because Step 1 resulted in a negative amount, so all other student financial assistance would be included in Dante's income
Amount of student financial assistance included in Dante's income: \$1,000	

G.16.d Section 8 (Including HCV and 202/8)

There are distinct differences in the treatment of student financial assistance between the Section 8 program and the Public Housing and non-Section 8 programs administered by MFH due to language in the annual appropriations acts. Section 210(b) of the Consolidated Appropriations Act, 2023,^{G5} requires that, “for purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition and any other required fees and charges) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.” HUD interprets that “a person over the age of 23” is 24 years old.

While the Consolidated Appropriations Act, 2023, language is limited to federal fiscal year 2023, this does not rule out the possibility that similar language will be included in future years’ appropriations bills. For any funds from a year where HUD’s appropriations include this Section 8 student financial assistance limitation, if the student is the head of household, co-head, or spouse and is under the age of 23 or without dependent children, then both the assistance received under 479B of the HEA and other student financial assistance received by the student will be counted as income to the extent that it exceeds the total of tuition and any other required fees and charges.^{G6} In contrast, the student financial assistance received by a Section 8 student who is the head of household, spouse, or co-head of household and is over the age of 23 with dependent children will be treated in a manner identical to the student financial aid received by students who participate in the Public Housing and non-Section 8 programs administered by MFH.

During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance as included/excluded income for all Section 8 students defaults to the methodology described above for the Public Housing and non-Section 8 programs administered by MFH.

There are two steps required as part of the calculation for Section 8 students, the first of which is to determine the student’s relationship to the household, age, and whether they have dependent children; based on the result of the first step, the second step is to calculate whether any excess student financial assistance should be included in the family’s income. If the student is the head of household, co-

^{G5} <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>.

^{G6} The definition of tuition and other required fees and charges for Section 8 students is synonymous with the definition of “actual covered costs” described in the previous section for the Public Housing and non-Section 8 programs administered by MFH. For Section 8 students, HUD uses the term “tuition and other required fees” solely to reflect the language in the appropriations bill.

head, or spouse and is 23 or younger or does not have dependent children, then 479B assistance **will** be part of the total equation (see example G13, below). If the student is over 23 with dependent children, then the calculation will be identical for Public Housing and non-Section 8 MFH students, as described above.

The formula for calculating the excess amounts of financial assistance included in annual income is a one-step process of subtracting the total tuition plus required fees and charges from the total student financial assistance from all sources. The one-step calculation is illustrated in chart 3, below.

Chart G2: Formula for Calculating Excess Amounts of Financial Assistance

Subtract total tuition plus required fees and charges from the total student financial assistance from all sources to arrive at excess amount of student financial assistance.

If the excess amount of student financial assistance is a positive number, then include that amount in annual income. If the excess amount of student financial assistance is zero or negative, then do not include that amount in annual income.

If the total tuition plus required fees and charges is zero or exceeds the amount of total financial assistance from all sources, then no excess amounts of student financial assistance will be included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges must be included in annual income.

Example G13: Treatment of Student Financial Assistance in Section 8 Programs

Roberto is a 22-year-old full-time student without dependent children. Since Roberto is a Section 8 participant head of household who is not over 23 with dependent children, the PHA/MFH Owner follows the Appropriations Act policy to determine if Roberto receives student financial assistance in excess of tuition from both HEA and other sources. Roberto received the following amounts to cover his first year of college: Federal Pell Grant: \$12,000; University Scholarship: \$22,000; City Scholarship: \$3,000.

Total assistance received under 479B of HEA:
\$12,000 (Federal Pell Grant)

Total other student financial assistance received:
\$25,000

Total student financial assistance from all
sources: \$37,000

Total tuition + required fees and charges: \$27,000

Subtract the total cost of tuition + required fees and charges from the total amount of student financial assistance: $\$37,000 - \$27,000 = \$10,000$

The total amount of student financial assistance from all sources received by Roberto exceeds the total amount of tuition and required fees and charges.

Excess student financial assistance: \$10,000

Amount of student financial assistance included in Roberto's income: \$10,000

Example G14: Treatment of Student Financial Assistance in Section 8 Programs

Cedric is a 28-year-old head of household and a full-time student with a 5-year-old daughter and a 9-year-old son who are his dependents. The PHA/MFH Owner will follow the rules under § 5.609(b)(9) (the same as for non-Section 8 programs) as described in the previous section. Cedric received the following amounts to cover his first year of college: Teach Grant: \$8,000; Federal Pell Grant: \$3,000; College Scholarship: \$6,000.	
Total assistance received under 479B of HEA: \$11,000 (Teach Grant plus Federal Pell Grant) Total other student financial assistance received: \$6,000	Total tuition + required fees and charges: \$26,000
Step 1: Determine amount of tuition plus required fees exceeding 479B assistance. \$26,000 (total tuition + required fees and charges) minus \$11,000 (total assistance received under 479B of HEA) equals \$15,000	Step 2: Determine amount of student financial assistance to include in income. \$6,000 (other student financial assistance received) minus \$15,000 (amount of tuition + required fees and charges exceeding 479B assistance) equals -\$9,000 (if negative, then use \$0)
The amount of other student financial assistance received by Cedric does not exceed the total amount of tuition and required fees and charges.	
Excess student financial assistance: \$0	
Amount of student financial assistance included in Cedric's income: \$0	

**Example G15: Treatment of Student Financial Assistance
in Section 8 Programs**

Angel is a 38-year-old full time student, head of household, without dependent children. Since Angel does not have dependent children, the Appropriations Act policy does not apply, and the PHA/MFH Owner must include assistance received under 479B of the HEA as part of the excess student financial aid calculation. Angel received the following amounts to cover her first year of college: Federal Work Study program: \$8,000.	
Total assistance received under 479B of HEA: \$8,000 (Federal Work Study Program)	Total tuition + other fees and charges: \$6,200
Determine whether the amount of student financial assistance, including 479B assistance, exceeds the total of tuition + required fees and charges: \$8,000 – \$6,200 = \$1,800	
Excess student financial assistance: \$1,800	
Amount of student financial assistance included in Angel's income: \$1,800	

PHA/MFH Owner Discretion: None.

G.17 Achieving a Better Life Experience (ABLE) Accounts

Regulation: 24 CFR § 5.609(b)(22)

Summary: ABLE accounts are excluded from the definition of net family assets, and therefore income generated from such accounts is not considered when calculating income from assets. Distributions from these accounts are also excluded from income.

HUD developed specific guidance on ABLE accounts based on language included in the ABLE Act of 2014. Certain contributions deposited into ABLE accounts are excluded in addition to the above-mentioned exclusions. See *Treatment of ABLE Accounts in HUD-Assisted Programs* (Notice H 2019–06/PIH 2019–09).

PHA/MFH Owner Discretion: None.

G.18 Income and Distributions from Coverdell Education Savings Accounts, 529 Accounts and “Baby Bond” Accounts

Regulation: 24 CFR § 5.609(b)(10)

Summary: Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government are excluded from income and net family assets.

PHA/MFH Owner Discretion: None.

G.19 Gross Income from Self-Employment or Operation of a Business

Regulation: 24 CFR §§ 5.609(b)(24) and 5.609(b)(28)

Summary: The gross income received by a family through self-employment or the operation of a business is excluded from income. Gross income is all income amounts received into the business, prior to the deduction of business expenses. To determine the amount of business or self-employment income included in a family’s annual income, the net income of the business must first be determined.

Net income is the “gross income amount minus business expenses” that allows the business to operate.

The net income from self-employment or the operation of a business is considered income. Expenditures for business expansion or amortization of capital indebtedness are not deductible when determining the income from a business. An allowance for the depreciation of assets used in a business or profession may be deducted, based on a straight-line depreciation, as provided in IRS’s regulations.^{G7} Any withdrawal of cash or assets from the operation of a business is income except to the extent that such withdrawal is to reimburse the family member for cash or assets that the family has invested in the operation of the business.

^{G7} 26 CFR § 1.167(b)-1 Straight line method: [https://www.ecfr.gov/current/title-26/chapter-I/subchapter-A/part-1/subject-group-ECFRc4930337f38ecfd/section-1.167\(b\)-1](https://www.ecfr.gov/current/title-26/chapter-I/subchapter-A/part-1/subject-group-ECFRc4930337f38ecfd/section-1.167(b)-1).

**Example G16: Exclusion of Gross Income
from Self-Employment or Operation of a Business**

Bill Conrad is the sole owner of BC Lawn Service. BC Lawn Service grossed \$75,000 annually in 2024. BC Lawn Service also incurred a total of \$35,000 in business expenses, including lawn equipment, rakes, insurance, depreciation of a tractor, and wage payments. After subtracting the \$35,000 in business expenses from the \$75,000 gross income, the net income is \$40,000, which will be included in Bill's calculation of annual income.

PHA/MFH Owner Discretion: None.

G.20 Elimination of the Earned Income Disregard (EID)

Regulation: 24 CFR § 5.611

Summary: The Earned Income Disregard (EID) will not apply to any family who is not eligible for **and already participating in** the disallowance as of December 31, 2023.

The EID allowed eligible families to have a portion of their earned income excluded from annual income for a maximum period of 24 consecutive months.

Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

Note: The EID policies described above are distinct from similar policies in the Jobs Plus program. Families eligible to receive the Jobs Plus program rent incentive (Jobs Plus Earned Income Disregard (JPEID)) pursuant to the FY2023 Notice of Funding Opportunity (NOFO) or earlier appropriation distributed through prior Jobs Plus NOFOs may continue to receive JPEID under the terms of the NOFO. The JPEID was established by HUD as an alternative requirement to EID for Jobs Plus grantees by waiving section 3(d) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(d)) and § 960.255(b) and (d). For more information about JPEID waivers and alternative requirements, please review the following *Federal Register* notices: [80 FR 13415](#) (March 13, 2015) and [83 FR 13506](#) (March 29, 2018).

PHA/MFH Owner Discretion: None.

G.21 Civil Rights Settlements or Judgments

Regulation: 24 CFR § 5.609(b)(25)

Summary: Civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from the calculation of annual income.

Historically HUD has followed a practice of excluding from income civil rights settlements and judgments as lump-sum additions to assets, which would include amounts received as a result of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under nondiscrimination laws. However, this new exclusion clarifies that even where such payments are not lump-sum payments but instead may have a payment schedule, such payments are excluded. Additionally, this

exclusion applies to back pay received by the family pursuant to a civil rights settlement or judgment.

PHA/MFH Owner Discretion: None.

ATTACHMENT H: TOPIC: INFLATIONARY ADJUSTMENTS

Regulations

See table H1, below.

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

HUD will annually publish the eight inflation-adjusted items in the table below no later than September 1, and the updated values will be shared online at the [HUD User website](#). The publication will apply to both MFH and PIH programs. The revised amounts will be effective on January 1 of the following year. The first set of adjustments for inflation will be made effective January 1, 2025.

HUD plans to publish in the *Federal Register* a notice soliciting the public's comment on HUD's methodology for recalculating inflationary adjusted items.

Table H1: Inflationary Adjustment Items

Adjusted Item	Regulatory Reference	Notice Section	Amount Effective on 1/1/2024 (subject to Annual Adjustment)	Rounding Methodology	Applicable Programs
Eligibility restriction on net family assets	24 CFR § 5.618(a)(1)(i)	Attachment A	\$100,000	Nearest dollar	Section 8 PBRA, 202/8, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Threshold above which imputed returns must be calculated on net family assets	24 CFR §§ 5.609(a)(2) and (b)(1)	Attachment F	\$50,000	Nearest dollar	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing,

					Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Threshold above which the total value of non-necessary personal property is included in net family assets	24 CFR § 5.603(b) <i>Net family assets</i>	Attachment F	\$50,000	Nearest dollar	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
The amount of net assets for which the PHA/MFH Owner may accept self-certification by the family	24 CFR § 5.618(b)(1) 24 CFR § 5.659(e) 24 CFR § 92.203(e)(1) 24 CFR § 93.151(e)(1) 24 CFR § 882.515(a) 24 CFR § 882.808(i)(1) 24 CFR § 960.259(c)(2) 24 CFR § 982.516(a)(3)	Attachment F	\$50,000	Nearest dollar	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Mandatory deduction for elderly and disabled families	24 CFR § 5.611(a)(2)	Attachment C	\$525	Next lowest multiple of \$25	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Mandatory deduction for a dependent	24 CFR § 5.611(a)(1)	Attachment C	\$480	Next lowest multiple of \$25	Section 8 PBRA, 202/8, 202/811 PRAC, 236

					IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Income exclusion for earned income of dependent full-time students	24 CFR § 5.609(b)(14)	Attachment G	\$480	Next lowest multiple of \$25	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO
Income exclusion for adoption assistance payments	24 CFR § 5.609(b)(15)	Attachment G	\$480	Next lowest multiple of \$25	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO

HUD will annually publish the recalculated inflationary-adjusted items to HUD's Policy Development and Research Web site, [HUD User](#). The new amounts will become effective January 1 of the following year.

PHAs/MFH Owners must use the adjusted levels post to HUD User for income and asset calculations effective on or after January 1 of the following year. Note that it will be particularly important for PHAs/MFH Owners who begin reexaminations 90 to 120 days in advance of the effective date of the reexamination to update their documents in a timely manner, because several of these figures must be known from the outset of the reexamination. For example, when a PHA/MFH Owner issues a reexamination notice and requests documents from a family, they must be able to provide a form for the self-certification of assets that includes the updated threshold value of net family assets above which the family may not self-certify.

ATTACHMENT I: TOPIC: INTERIM REEXAMINATIONS

Regulations

24 CFR §§ 5.657(c); 882.515(b); 960.257(b); 982.516(c); 891.105; 891.410(g)(2); 891.610(g)(2); and 891.750(c)(2)

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA ¹¹ , SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

The following section focuses on HOTMA's revisions to interim reexamination requirements. The final rule changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires PHAs/MFH Owners to implement the updated definition of income for streamlined income determinations (subtopic I.9).

When the PHA/MFH Owner determines that an interim reexamination is required, they must ask the family to report changes in all aspects of adjusted income and household composition. For example, if the family is reporting a decrease in annual adjusted income that is more than 10 percent, but the family also had a change in assets, the change in assets must also be reviewed.

Through this notice, HUD explains that it is using its discretion, as authorized by HOTMA, to require PHAs/MFH Owners to conduct interim reexaminations when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides, whether the change results in a decrease, increase, or no change in the family's annual adjusted income (subtopic I.3).

HUD recommends as a best practice that PHAs/MFH Owners maintain documentation of all reported changes in the family's file, including those that did not result in an interim reexamination. HUD also recommends reviewing the applicable regulations to ensure that any program-specific reexamination requirements are followed.¹²

Subtopics

¹¹ HUD is applying 24 CFR § 5.657 to 811 PRA families pursuant to Section 2.4(a)(1) of the Rental Assistance Contract (RAC) Part II.

¹² For example, see 24 CFR § 891.410(g) and § 891.610(g)(3).

I.1 Decreases in Annual Adjusted Income

Regulations: 24 CFR §§ 5.657(c)(2); 882.515(b)(2); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(2); and 982.516(c)(2)

Summary: A family may request an interim reexamination for **any** change since their last reexamination. However, the PHA/MFH Owner **may decline to conduct an interim reexamination** if the PHA/MFH Owner estimates that the family's annual adjusted income will decrease by an amount that is less than 10 percent of the family's annual adjusted income, with the exception of circumstances in which household members are added or removed, as described in [subtopic I.3](#). Generally, PHAs/MFH Owners have the discretion to set a lower percentage threshold, unless specified by HUD via notice, in which case the lower percentage threshold must be included in the PHA/MFH Owner's ACOP, Administrative Plan, or Tenant Selection Plan, as applicable.

Upon the request of the family, PHAs/MFH Owners **must conduct an interim reexamination** when a family's annual adjusted income has changed by an amount that the PHA/MFH Owner estimates will result in a decrease of 10 percent or more in annual adjusted income or a lower threshold set by HUD or by a PHA/MFH Owner in their ACOP, Administrative Plan, or Tenant Selection Plan, as applicable. When an income decrease of any size is reported by a family, it is a recommended best practice for the PHA/MFH Owner to note the reported decrease in the tenant file.

Note: In addition to decreases in family income, increases in a family's deductions may produce a sufficient decrease in annual adjusted income to require an interim reexamination.

Example I1: Interim Reexaminations / Decreases in Annual Adjusted Income

Scenario A: A family experiences an increase in deductible child-care expenses from \$0 to \$12,000 annually. Before the change, their annual adjusted income was \$40,000. Since the child-care expense deduction results in a greater than 10-percent reduction in annual adjusted income, an interim reexamination is required.

Scenario B: A family with an annual adjusted income of \$9,600 experiences a loss of income of \$500, a 5.2% decrease. The decrease does not meet the 10-percent annual adjusted income threshold. However, the PHA/MFH Owner has adopted a 5-percent annual adjusted income decrease policy; therefore, the \$500 decrease meets the threshold to trigger an interim reexamination.

PHA/MFH Owner Discretion: PHAs/MFH Owners may establish a percentage threshold lower than 10 percent of annual adjusted income for processing interim reexaminations due to decreases in a family's annual adjusted income. PHAs/MFH Owners must identify in their ACOPs, Administrative Plans, and Tenant Selection Plans, as applicable, the percentage threshold they will use for conducting interim reexamination decreases of a family's annual adjusted income.

PHAs/MFH Owners **are not permitted** to establish a dollar-figure threshold amount instead of a percentage threshold. PHAs/MFH Owners may establish policies to round calculated percentage decreases up or down to the nearest unit (e.g., a calculated decrease of 9.5 percent may be rounded up to 10 percent).

I.2 Increases in Annual Adjusted Income

Regulations: 24 CFR §§ 5.657(c)(3); 882.515(b)(3); 960.257(b)(3); and 982.516(c)(3); 891.105; 891.410(g)(2); and 891.610(g)(2)

Summary: PHAs/MFH Owners **must conduct an interim reexamination** when the PHA/MFH Owner becomes aware that the family's adjusted income has changed by an amount that the PHA/MFH Owner estimates will result in an increase of 10 percent or more in annual adjusted income or another amount established by HUD through a notice, **with the following exceptions:**

- PHAs/MFH Owners **may not** consider any increases in **earned income** when estimating or calculating whether the family's annual adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle; and
- PHAs/MFH Owners **may choose not to** conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of their next annual reexamination effective date.

Note: Families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA/MFH Owner's policies.

PHAs/MFH Owners **must not** process interim reexaminations for income increases that result in less than a 10-percent increase in annual adjusted income, with the exception of circumstances in which household members are added or removed, as described in [subtopic I.3](#). A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the PHA/MFH Owner must conduct an interim reexamination. When an income increase of any size is reported by a family, it is a recommended best practice for the PHA/MFH Owner to note the reported increase in the tenant file.

If a family previously received an interim reexamination that resulted in a decrease to their annual adjusted income during the same annual cycle, a PHA/MFH Owner has the discretion to choose whether or not to conduct an interim for subsequent increases in earned income of 10 percent or more during the same annual cycle. PHAs/MFH Owners must identify in their ACOPs, Administrative Plans, and Tenant Selection Plans, as applicable, if they perform interim reexaminations for **earned** income increases *subsequent to an interim decrease*.

If a PHA/MFH Owner has a policy of considering increases in earned income after an interim is conducted for a decrease in income, and the family's annual adjusted income

has increased by 10 percent or more, the PHA/MFH Owner must conduct an interim reexamination in accordance with their local policies. Conversely, PHAs/MFH Owners that adopt local policies to never consider increases in **earned** income must not perform an interim reexamination under these circumstances.

Example I2: Interim Reexaminations / Increases in Annual Adjusted Income

Scenario A: The Martinez family's annual reexamination is due on 11/1/2024. The family no longer has child-care expenses for their three children, resulting in an estimated 15-percent increase in the family's annual adjusted income. The family stopped paying for daycare as of 8/31/2024 and reported the change (and certified no other changes to annual household income or expenses) to the PHA/MFH Owner on 9/7/2024. Although 15 percent is well above the 10-percent threshold, the PHA/MFH Owner does not process an interim reexamination, because they have a policy to not process interim increases reported within three months of the next annual reexamination.

Scenario B: The Allen family had an annual adjusted income of \$29,000 as of their last annual reexamination effective 5/1/2024. The family experienced the following changes since 5/1/2024:

- In July, the Allen family's eldest child, Kristina Allen (age 20), starts going to college full-time on a Pell Grant. Kristina is not employed, nor does she receive any other type of student financial assistance. The family now qualifies for a \$480 dependent deduction, because full-time students are considered dependents.
- The family reports Kristina's student status to the PHA/MFH Owner, which noted the change in the family's file. Based on this change alone, the PHA/MFH Owner must not perform an interim reexamination, because the dependent deduction amounts to a 1.7-percent decrease in the family's annual adjusted income.
- In October of that year, Tom Allen, the head of household, begins receiving a pension of \$575 monthly, or \$6,900 annually. Tom reported the income change timely to his PHA/MFH Owner.

After reviewing the change reported by Tom, the PHA/MFH Owner determined that the Allen family's new annual adjusted income is \$35,420, accounting for both the addition of Tom's pension income and the deduction of the dependent allowance for Kristina. The Allen family's annual adjusted income increased a total of \$6,420, or 22 percent, which requires the PHA/MFH Owner to process an interim reexamination to include Tom's unearned income and the dependent deduction for Kristina.

Scenario C: The Nguyen family's last annual reexamination was effective 4/1/2024. In June 2024, Patrick Nguyen lost his job, and the family's adjusted income fell from \$25,000 to \$13,000. The PHA/MFH Owner conducted an interim reexamination for the decrease in income. In November 2024, Kelly Nguyen finds a job, and the family's adjusted income rises to \$18,000. The PHA/MFH Owner has a policy of considering increases in earned income after an interim reexamination has been performed for a decrease in income in the same annual cycle. Since the Nguyen family's annual adjusted income has increased by more than 10 percent including Kelly's earned income, and the family previously received an interim reduction during the same reexamination cycle, the PHA/MFH Owner will conduct an interim reexamination to include Kelly's earned income.

Scenario D: The Mosberg family had an annual adjusted income of \$35,909 based on earned income and two dependent deductions as of their last annual reexamination effective 6/1/2024. The family experienced the following changes since 6/1/2024:

- In August, Libby reported she received a raise at work, increasing her annual earned income by \$2,650. She also recently started receiving monthly child support payments of \$150, or \$1,800 annually. She reported no other changes to the PHA/MFH Owner. While the **combined** increase of earned income (wages) and unearned income (child support) is a 12.4-percent increase in annual adjusted income since the 6/1/2024 annual reexamination, the PHA/MFH Owner must look at the earned and unearned income changes independently to determine if an interim reexamination should be performed. The earned income increase by itself is a 7.4 percent increase in annual

adjusted income, and the unearned income increase by itself is approximately a 5 percent increase.

The PHA/MFH Owner documented in the tenant file that the family reported the changes, but an interim reexamination was **not** performed because the 5-percent increase in annual adjusted income based on **unearned** income does not meet the 10-percent threshold. Further, the PHA/MFH Owner may not perform an interim reexamination for Libby's 7.4-percent increase in annual adjusted income based on **earned** income, because an interim reexamination for an income decrease during the reexamination cycle was not completed **and** the family's unearned income increase does not meet the 10-percent threshold to perform an interim. Note: Even if Libby's change in earned income had exceeded 10 percent of her annual income, the PHA/MFH Owner may not perform an interim reexamination, because there was no prior interim reexamination for a decrease in income.

In November, Libby reported that her monthly child support payments increased again, from \$150 to \$325. She certified no other changes to income or deductions. Libby's annual **unearned** income from child support of \$3,900 is now a 10.9-percent increase in annual adjusted income (based on the effective 6/1/2024 annual reexamination), so the PHA/MFH Owner **must** perform an interim reexamination, but only for the **unearned** child support income. The PHA/MFH Owner will continue to disregard the increased **earned** income reported by the family until the Mosberg's next annual reexamination.

PHA/MFH Owner Discretion: PHAs/MFH Owners have discretion on the following policies:

- Whether the PHA/MFH Owner will conduct interim reexaminations for qualifying income increases reported by families within the last three months of a family's reexamination period; and
- Whether the PHA/MFH Owner will include increases in earned income when estimating or calculating increases in family's annual adjusted income has increased, when the family previously received an interim reduction during the same reexamination cycle.

PHAs/MFH Owners must establish policies for the above-discretionary items in their ACOPs, Administrative Plans, and Tenant Selection Plans, as applicable.

I.3 Changes in Household Composition

Regulations: 24 CFR §§ 5.657(c)(2)-(3); 882.515(b)(2)-(3); 960.257(b)(2)-(3); and 982.516(c)(2)-(3)

HUD is using its discretion, as authorized by HOTMA,⁸ to establish a lower threshold through notice to process interim reexaminations under certain circumstances.

Specifically, HUD requires PHAs/MFH Owners to apply a 0-percent threshold and conduct interim reexaminations when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides, regardless if

⁸ 42 USC 1437a(a)(6).

the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income.

The exception to this policy is if adding or removing household members would require an interim reexamination for an increase in annual adjusted income during the last three months of a family's recertification period, and the PHA/MFH Owner has a written policy to not conduct interim reexaminations under these circumstances, then the PHA/MFH Owner is not required to conduct an interim reexamination. The PHA/MFH Owner must include the change in household composition in the family's next annual reexamination.

When conducting an interim reexamination for an increase due to the addition or removal of a household member, the PHA/MFH Owner must not consider increases in earned income, when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle.

This lower threshold does not apply when the household does not add or remove a household member but experiences other kinds of changes to existing household member characteristics (e.g., a head of household turns 62 and the family becomes an elderly family, or an adult member who is not the head, co-head, or spouse enrolls as a full-time college student and becomes a dependent). Such changes should be reviewed under the normal increase or decrease policies described in [subtopics I.1](#) and [I.2](#).

Example I3: Interim Reexaminations / Adding or Removing Household Members

Scenario A: A family with an annual adjusted income of \$9,600 adds a minor household member and becomes eligible for one dependent deduction totaling \$480. This change would result in a 5% decrease in the family's annual adjusted income. Because HUD requires PHAs/MFH Owners to use a 0% threshold when there is any change in household composition, an interim reexamination is required. The PHA/MFH Owner adds the deduction at the same time as reporting the addition of the dependent to the family.

Scenario B: A family member moved out of the assisted unit. Because HUD requires PHAs/MFH Owners to conduct an interim reexamination when there is any change in household composition, the PHA/MFH Owner must process an interim reexamination to remove the family member and make any updates, if needed, to the family's annual adjusted income.

Scenario C: A foster adult moves into the assisted unit. Although the change in household composition results in no change to the family's annual adjusted income, the PHA/MFH Owner must process an interim reexamination to include the foster adult and any other changes to the household.

Scenario D: The Williams family has an annual adjusted income of \$25,000 and their annual reexamination is coming up in two months. The head of household marries an elderly person, who is added to the family. The family now qualifies as an elderly family which means they are eligible for the Elderly/Disabled Family deduction of \$525. The new family member has annual unearned income of \$5,400. The PHA/MFH Owner has established a policy to not conduct interim reexaminations for adjusted income increases in the last three months of the recertification period. Even though the Williams family added a new household member, the PHA/MFH Owner's policy supersedes HUD's requirement that a PHA/MFH Owner conduct an interim reexamination for all household composition changes. Instead of conducting an interim reexamination, the PHA/MFH Owner records the changes on the annual reexamination.

PHA/MFH Owner Discretion: None.

I.4 Interim Reexaminations to Determine Continued Public Housing Over-Income Status

Regulations: 24 CFR § 960.507

Summary: In accordance with 24 CFR 960.507(c)(1), when a PHA determines that a Public Housing family is over-income — whether through an annual or interim reexamination — the PHA must provide written notice to the family no later than 30 days after that initial determination.

Per 24 CFR 960.507(c), PHAs must then conduct follow-up income examinations at 12 and 24 months after the initial over-income determination, notifying the family if they remain over the income limit at each interval. This requirement applies even if the family is paying the flat rent (24 CFR 960.253). These follow-up examinations are not required if the PHA has determined that the family's income fell below the over-income limit prior to the applicable interval. Note that interim reexaminations conducted to evaluate over-income status do not reset the family's normal annual reexamination date.

See [Notice PIH 2023-03](#) (HA) for additional guidance on the required reexaminations and notice for over-income Public Housing families.

Example I4: Interim Reexamination to Determine Continued Public Housing Over-Income Status

Scenario A: Uninterrupted Grace Period: The Blayney Family

In June 2024, the PHA processed an interim reexamination for the Blayney family effective 7/1/2024 due to an increase in the family's annual adjusted income of 10 percent or more. The PHA sent written notification of its initial determination that the family's annual income exceeds the applicable over-income limit. The 24-month grace period starts.

The PHA must conduct an interim reexamination 12 months later, or by 7/1/2025, to determine if the Blayney family remains over-income, even if the family is paying a flat rent. The PHA must notify the Blayney family that their income has exceeded the over-income limit for 12 consecutive months.

After completion of the 7/1/2025 interim reexamination, the Blayney family's income continued to exceed the applicable over-income limit for an additional 12 consecutive months. The PHA must conduct a second interim reexamination, even if the family is paying flat rent, 24 months from the initial determination, or by 7/1/2026, to determine if the family remains over-income.

At the 7/1/2026 interim reexamination, the Blayney family's income continued to exceed the applicable over-income limit. The PHA must either terminate their tenancy in no more than six months from the end of the 24-consecutive-month grace period, by 1/1/2027, or charge them the alternative non-public housing rent (at the next lease renewal or in no more than 60 days after the final notice, whichever is sooner), depending on the PHA's continued occupancy policies.

Scenario B: Interrupted Grace Period: The Morrison Family

The Morrison family experienced an income increase that resulted in an interim reexamination effective 2/1/2024. The family was sent the required written notification within 30 days of the PHA's initial determination of the family's over-income status. The 24-month grace period starts.

The PHA must conduct an interim reexamination 12 months later, or by 2/1/2025, to determine if the family remains over-income, even if the family is paying a flat rent.

After completion of the interim reexamination effective 2/1/2025, the Morrison family remained over the applicable over-income limit. The PHA must conduct a second interim reexamination, even if the family is paying a flat rent, 24 months from the initial determination, or by 2/1/2026, to determine if the family remains over-income. However, at a regularly scheduled annual reexamination effective 5/1/2025, the family is determined to no longer be over-income. This is prior to the expiration of the 24-month grace period on 2/1/2026. Thus, the grace period no longer applies, and the family remains an income-eligible PH program participant.

If the family is determined to be over-income again in the future, they would be entitled to a new 24-consecutive-month grace period.

PHA Discretion: None.

I.5 Non-Interim Reexamination Transactions

Regulations: 24 CFR §§ 5.657(c)(2); 882.515(b)(2)-(3); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(2)-(3); and 982.516(c)(2)-(3)

Summary: Families may experience changes within the household that do not trigger an interim reexamination under HOTMA but still need to be reported to HUD.

In these cases, PHAs will use the Interim Reexamination/Mid-Cycle Changes action code on form HUD-50058 and specify that they are not conducting an interim reexamination but must report other changes to HUD. Further instructions will be provided in the form HUD-50058 Instruction Booklet.

MFH Owners must use the "O" code on form HUD-50059 for instances where a non-interim transaction applies. Additional guidance will be provided through the TRACS 2.0.3.A MAT Guide to ensure MFH Owners distinguish non-interim submissions from traditional interim reexamination submissions.

These instructions will be used for the following transaction types **when an interim reexamination is not triggered under the final rule or under the discretion HUD is exercising through this notice:**

- Adding or removing a hardship exemption for the child-care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, at which the PHA/MFH Owner is complying with HOTMA requirements);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due

to the addition or removal of family members in household with an ineligible noncitizen(s).

HCV Program Only:

- Processing contract rent changes that do not correspond with an interim or annual reexamination (including PBV rent increases); and
- Implementing an update to the payment standard that does not correspond with an interim or annual reexamination.

MFH Programs Only:

- Adding/updating a family or household member's Social Security number. (PHAs are instructed to instead use the Tenant ID Management module when adding or updating a Social Security number.)

Note: PHAs/MFH Owners will make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

I.6 Policies for Families to Report Changes to Annual Adjusted Income or Household Composition

Regulations: 24 CFR §§ 5.657(c)(4); 882.515(b)(1)–(4); 882.808(i)(4); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(4); and 982.516(d)

Summary: PHAs/MFH Owners must require families to report **household composition changes**; however, PHAs/MFH Owners determine the timeframe in which reporting happens. PHAs/MFH Owners must develop policies that describe when and under what conditions families must report **changes in annual adjusted income** consistent with the new requirements for processing interim reexaminations. PHAs/MFH Owners are responsible for educating families on the requirements for reporting changes. Families are responsible for reporting these changes to the PHA/MFH Owner. It is the PHA's/MFH Owner's responsibility to track all reported changes to a family's annual adjusted income to ensure that the PHA/MFH Owner is correctly processing interim reexaminations in accordance with HUD's requirements.

A PHA's/MFH Owner's policies may require families to report only changes that the family estimates meet the threshold for an interim reexamination, and the PHA/MFH Owner must determine if an interim reexamination is necessary. Alternatively, PHAs/MFH Owners may establish policies requiring that families report all changes in income and household composition, and the PHA/MFH Owner will subsequently determine if the change requires an interim reexamination.

PHA/MFH Owner Discretion: PHAs/MFH Owners have the discretion to develop specific reporting policies that describe which changes must be reported to the PHA/MFH Owner and the timeline for reporting the change. For example, PHAs/MFH Owners may develop policies stipulating that families are not required to report **any**

income increases that become effective within the last three months of the family's certification period, or PHAs/MFH Owners may develop policies requiring families to report all changes to household composition, income, and deductions within 10 days of the change.

I.7 Processing Time Period for Interim Reexaminations

Regulations: 24 CFR §§ 5.657(c)(1); 882.515(b)(1); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(1); and 982.516(c)(1)

Summary: The updated regulations codified long-standing guidance on how long PHAs/MFH Owners should take to process an interim reexamination.

When the PHA/MFH Owner conducts an interim reexamination, it must be conducted within a reasonable period after the family's request or after the PHA/MFH Owner becomes aware of an increase in the family's adjusted income. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the PHA/MFH Owner generally should conduct the interim reexamination not longer than 30 days after the PHA/MFH Owner becomes aware of changes in income.

PHA/MFH Owner Discretion: None.

I.8 Effective Date of Interim Rent Changes

Regulations: 24 CFR §§ 5.657(c)(5); 882.515(b)(4)–(b)(5); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(6); and 982.516(c)(4)

Summary: The updated regulation codified long-standing guidance on when interim reexaminations are made effective.

- **Changes Reported Timely:** If the family has reported a change in family income or composition in a timely manner according to the PHA/MFH Owner's policies, then the PHA/MFH Owner must provide the family with a 30-day advance notice of any rent increases, and such rent increases will be effective the first day of the month beginning after the end of that 30-day period.

If the tenant has complied with the interim reporting requirement and the tenant's rent is anticipated to decrease, rent decreases will be effective on the first day of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

- **Changes Not Reported Timely:** If the family has failed to report a change in family income or composition in a timely manner according to the PHA/MFH Owner's policies, PHAs/MFH Owners must implement any resulting rent increases retroactively to the first day of the month following the date of the change leading to the interim reexamination of family income.

Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexamination. The PHA/MFH Owner may

choose to adopt a policy that would make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income as opposed to the first of the month following completion of the reexamination. PHAs/MFH Owners may also choose to establish conditions or requirements for when such a retroactive application would apply (e.g., where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to the PHA/MFH Owner management operations).

PHAs/MFH Owners that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of the first of the month following the date of the change that led to the interim reexamination, or the first of the month following the most recent previous income examination (i.e., most recent interim or annual reexamination or the family's initial examination if that was the family's only income examination before the interim reexamination in question).

In applying a retroactive change in rent or family share as the result of an interim reexamination, the PHA/MFH Owner must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility. In the HCV and Moderate Rehabilitation/SRO programs, the PHA must also clearly communicate the effect of the retroactive adjustment to the owner as well. These policies may reduce the potential hardship on families and eliminate or significantly reduce the amount a family may owe the PHA for back rent if the family has had difficulty in making timely rent payments during the time between the loss of income and the interim reexamination.

An exception to the requirement that a PHA/MFH Owner implement resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination exists if a PHA/MFH Owner failed to process a family's interim reexamination because the family did not timely report an income decrease, as illustrated in example I5, scenario D, below.

Example I5: Effective Date of Interim Rent Changes

Scenario A: The Miller family had a decrease in family income that met the threshold due to the loss of a job on 6/2/2024. They reported the decrease to the PHA/MFH Owner in accordance with the PHA/MFH Owner's policies on 6/15/2024. The interim reexamination must be effective 7/1/2024, regardless of when the PHA/MFH Owner processes the interim reexamination.

Scenario B: The Leon family had an increase of 10 percent or more in annual adjusted income on 6/1/2024 due to receiving a new type of benefit income. The increased income meets the threshold to require an interim. They reported the increase to the PHA/MFH Owner in accordance with local policies on 6/20/2024. The PHA/MFH Owner did not process the interim reexamination until 7/11/2024, so the effective date of the interim reexamination is 9/1/2024 to give the family the required 30-day notice of the increase in total tenant portion.

Scenario C: The head of the Nguyen family began receiving Social Security income starting on 8/1/2024. The increased income meets the threshold to require an interim reexamination. However, the

change in income was not reported to the PHA/MFH Owner until 9/15/2024. The PHA/MFH Owner has a policy requiring a family to report changes in family income within 30 days. Because the family failed to alert the PHA/MFH Owner of the increase in income in accordance with the PHA/MFH Owner's policy, the increased income is effective retroactive to 9/1/2024, the first of the month following the date of the income change.

Scenario D: The Housseini family's current annual reexamination is effective on 2/1/2024. A member of the Housseini family lost their job on 1/2/2024, but the family failed to report the change until 4/5/2024. If the PHA/MFH Owner has a written policy allowing for retroactive rent decreases even when the family does not report changes timely, the retroactive rent decrease could be applied on 3/1/2024 (the first of the month following the family's most recent previous income examination).

PHA/MFH Owner Discretion: PHAs/MFH Owners must establish policies describing when and under what conditions a family is required to report changes in family income or composition in order to meet the “timely manner” requirement. PHAs/MFH Owners must update their Administrative Plans, ACOPs, or Tenant Selection Plans, as applicable, to include these policies and must communicate them clearly to participating families. PHAs/MFH Owners may adopt a policy to apply rent decreases retroactively for circumstances in which families fail to report changes in a timely manner. A retroactive rent decrease may not be applied prior to the later of either the first of the month following the date of the actual decrease in income, or the first of the month following the most recent previous income examination. PHAs/MFH Owners may establish additional criteria to describe the conditions under which retroactive decreases will be applied (e.g., the kinds of extenuating circumstances that may inhibit timely reporting). In all cases of retroactive application, the PHA/MFH Owner must clearly communicate to the family how the retroactive adjustment will affect their responsibility for rent. In the HCV and Moderate Rehabilitation programs, the PHA must also clearly communicate the impact of the retroactive adjustment to the owner.

I.9 Streamlined Income Determination

Regulation: 24 CFR §§ 5.609(c)(2)(i); 5.657(d); 891.105; 891.410(g)(4); 891.610(g)(4); 960.257(c); and 982.516(b)

Summary: HOTMA did not update or otherwise change the streamlined income determination provision codified in the FAST Act¹³ and in HUD's regulations found in 24 CFR §§ 5.657(d), 960.257(c), and 982.516(b); however, PHAs/MFH Owners should be aware that the adjustments of non-fixed income sources at annual reexamination using third-party verification must follow the HOTMA income calculation rules outlined in [Attachment B](#) (Calculating Income) of this notice.

Under current program regulations, PHAs/MFH Owners may elect to apply a streamlined income determination for families receiving fixed income¹⁴ using the methodology below. For any income determined pursuant to a streamlined income determination, a PHA/MFH Owner must obtain third-party verification of all income amounts every 3 years.

¹³ P.L. 114-94.

¹⁴ 24 CFR §§ 5.657(d)(2); 960.257(c)(2); 982.516(b)(2); 891.410(g)(4); and 891.610(g)(4).

When **90 percent or more** of a family’s unadjusted income consists of fixed income, owners using streamlined income determinations must apply a COLA or COLAs to the family’s fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income need not be adjusted and must not be adjusted by a COLA, but PHAs/MFH Owners may choose to adjust sources of non-fixed income by the amount determined on the basis of third-party verification. PHAs/MFH Owners have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years 2 and 3. Adjustments to non-fixed income must be calculated in accordance with [section B.2 \(Annual Reexamination\)](#) of this notice.

When **less than 90 percent** of a family’s unadjusted income consists of fixed income, owners using streamlined income determinations must apply a COLA to each of the family’s sources of fixed income. Owners must determine all other income pursuant to [section B.2 \(Annual Reexaminations\)](#) of this notice.

The table below explains the applicable PHA/MFH Owner action at each point in time in the streamlining cycle.

Table I1: PHA/MFH Owner Action at Point in Time in Streamlining Cycle

Point in Time in Streamlining Cycle	PHA/MFH Owner Action
Year 1	PHA/MFH Owner completes a Move in, Initial Certification (MFH Only) or Annual Reexamination consistent with the regulations on reexaminations.
Years 2 and 3	PHA/MFH Owner completes an Annual Reexamination with the following streamlined income determination for each type of source: • Fixed Income: Apply inflation adjustment factor; PHA/MFH Owner does not collect third-party verification. • Non-fixed income when fixed income is more than 90 percent of unadjusted income: PHA/MFH Owner has discretion to either adjust the income using third-party verification or use the previous year’s calculation. • Non-fixed income when fixed income is less than 90 percent of unadjusted income: PHA/MFH Owner must adjust the income using third-party verification. • Assets and Deductions: PHA/MFH Owner completes verification and calculation of assets and deductions.
Year 4	Three-year cycle starts over.

PHA/MFH Owner Discretion: PHAs/MFH Owners have the discretion to implement streamlined income determinations under current program regulations.

I.10 Impact of Interim Reexamination Requirements on Family Self-Sufficiency (FSS) Programs

Summary: PHAs/MFH Owners who operate FSS programs should note two effects that the new interim reexamination regulations will have on families participating in their FSS programs.

First, HOTMA requires that interim reexaminations must be conducted: (1) when a family's income decreases by at least 10 percent of their annual adjusted income, or such lower threshold established by a PHA/MFH Owner or by HUD through notice; (2) when a family's income increases by at least 10 percent of their annual adjusted income or such other amount established by HUD through notice, except in certain circumstances as described earlier in [subtopic I.2 \(Increases in Annual Adjusted Income\)](#) of this notice; or (3) when there is any change in household composition (i.e., a family adds or removes a household member), except in certain circumstances as described in [Subtopic I.3 \(Changes in Household Composition\)](#) of this notice. PHAs/MFH Owners may not consider any increases in **earned income** when estimating or calculating whether the family's annual adjusted income has increased unless the family has previously received an interim reduction during the same reexamination cycle. Families participating in the FSS program are subject to these interim requirements, therefore their escrow accounts may not grow as their earnings increase throughout the year.

Second, the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency Program final rule (87 FR 30020) states that the FSS contract of participation (COP) will generally expire 5 years **from the date of the family's first re-certification of income after** the effective date of the FSS COP. The PHA/MFH Owner may not perform an interim reexamination of annual income when enrolling a family in the FSS program unless the family experienced a change in annual adjusted income that meets the threshold for conducting an interim reexamination under the HOTMA final rule. Families for whom their first reexamination of income does not occur until their regularly scheduled annual reexamination will not have the opportunity to begin escrowing their increased earnings until that time and may have fewer escrow increases over the life of the 5-year contract.

Although families participating in FSS may experience fewer escrow increases under the HOTMA final rule, the revised interim reexamination regulations may provide these families the opportunity to use their increased earnings to realize other short- or long-term goals.

PHA/MFH Owner Discretion: None.

ATTACHMENT J: TOPIC: VERIFICATION

Regulations

24 CFR §§ 5.216(g)(1); 5.230; 5.230(c)(5)(iii); 5.232; 24 CFR 5.232(c); 5.233; 5.240(c); 5.609(c)(3); 5.659(d); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); 891.750; 960.259(c); and 982.516(a)(2)

Applicable Programs

HUD Multifamily Housing	HUD Multifamily Housing	Public and Indian Housing
Section 8 (Project Based Rental Assistance)	Section 202/162 PAC, Section 202/8, Section 202/811 PRAC, Section 236 IRP, Section 811 PRA, SPRAC	HCV (including Project-Based vouchers), Public Housing, Section 8 Moderate Rehabilitation, Section 8 Moderate Rehabilitation SRO
Yes	Yes	Yes

Summary

The final rule updated verification of income requirements in 24 CFR §§ 5.230; 5.232; 5.233; 5.609; and 5.659.

Subtopics

J.1 Authorization for the Release of Information (Forms HUD-9886/HUD-9887)

Regulations: 24 CFR §§ 5.230; 5.232; 891.105; 891.410(b)-(c); and 891.610(b)-(c)

Summary: In accordance with the final rule, all applicants must sign the consent form at admission, and participants must sign the consent form no later than their next interim or regularly scheduled income reexamination. After an applicant or participant has signed and submitted a consent form either on or after January 1, 2024 (regardless of the PHA/MFH Owner's compliance date), they do not need to sign and submit subsequent consent forms at the next interim or regularly scheduled income examination except under the following circumstances^{J1}:

- When any person 18 years or older becomes a member of the family;
- When a member of the family turns 18 years of age; and
- As required by HUD or the PHA in administrative instructions.

These consent forms contain provisions authorizing HUD and the PHA/MFH Owner to obtain necessary information for verification of an application or to maintain a family's assistance, including income information and tax return information. The executed consent forms will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA/MFH Owner to

^{J1} Any person, regardless of age, who subsequently becomes a family member as the head of household, co-head of household, or spouse, must sign the consent form, in accordance with 24 CFR § 5.230(a).

revoke consent. If a family voluntarily leaves a HUD program, the family's assistance is considered to be terminated and the signed consent forms will no longer be in effect.

HUD will publish a new form HUD-9886-A and is updating forms HUD-9887 and HUD-9887-A (Fact Sheet) to conform with the final rule. HUD will include language in the forms allowing PHAs/MFH Owners to obtain financial records from financial institutions whenever the PHA/MFH Owner determines that such a record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits.

PHA/MFH Owner Discretion: PHAs/MFH Owners have the discretion to establish policies around when family members must sign the consent forms when they turn 18 between reexaminations. PHAs/MFH Owners must establish these policies in their ACOPs, Administrative Plans, and Tenant Selection Plans, if requiring family members to sign consent forms at intervals other than at reexamination.

J.2 Revocation of Consent

Regulations: 24 CFR §§ 5.230(c)(5)(iii); 24 CFR 5.232(c); 891.105; 891.410(g)(3)(ii); and 891.610(g)(3)(ii)

Summary: The executed consent forms will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA/MFH Owner to revoke consent. Revocation of consent or refusal to sign the consent forms prohibits the PHA/MFH Owner from requesting and accessing income information and financial records, including pulling EIV reports and using the EIV data to verify income (although the data matches between HUD and other agencies will continue to occur automatically if the family is not terminated from the program). PHAs/MFH Owners will not be able to process interim or annual reexaminations of income, including when a family's income decreases and the family requests an interim reexamination to decrease tenant rent, without the family's executed consent form(s).

Families have the right to revoke consent by providing written notice to the PHA/MFH Owner; however, revoking consent may result in termination of assistance or denial of admission, if the PHA/MFH Owner has a policy that the revocation of consent will result in termination of assistance or denial of admission. When PHAs/MFH Owners do not establish such a policy, the family is required to sign a new consent form by the next reexamination, whichever occurs first, in order to avoid termination of assistance or be reviewed for eligibility for admission. PHAs/MFH Owners must explain to families the consequences, if any, of revoking their consent.

PHAs/MFH Owners must notify their local HUD office of a family's revocation of consent.

PHA/MFH Owner Discretion: PHAs/MFH Owners may decide whether revocation of a family's consent will result in termination of assistance or denial of admission. Such a policy must be included in the PHA/MFH Owner's Administrative Plan, ACOP, or Tenant Selection Plan, as applicable.

J.3 Mandated and Discretionary use of HUD's Enterprise Income Verification (EIV) System

Regulation: 24 CFR § 5.233

Summary: The regulation clarifies that PHAs/MFH Owners must use EIV to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, PHAs/MFH Owners are no longer required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income.

PHAs/MFH Owners are still required to use EIV in its entirety, including using all of the required reports, such as the Existing Tenant Search and Income Reports, to verify tenant employment and income information at all other times.

Note: HUD intends to update the discrepancy logic for the MFH and Public Housing Income Discrepancy Reports and the Income Verification Tools (IVTs) to conform to the requirements of the final rule. PHAs/MFH Owners are not required to investigate discrepancies resulting from the MFH and Public Housing Income Discrepancy Reports and the IVT Tools until HUD updates the discrepancy logic. HUD will notify PHAs/MFH Owners when the new reports are ready for use.

Table J1 provides guidance on the frequency with which individual EIV reports must be utilized by a PHA/MFH Owner.

Table J1: Mandatory and Discretionary Use of EIV by PHAs/MFH Owners

Report Title	Report Description	Frequency of Use	PHAs/MFH Owners
Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs only Report does not exist in MFH EIV.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs/MFH Owners
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs/MFH Owners
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs/MFH Owners

Failed Verification Report (Failed SSA Identity Test)	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database. *PHAs/MFH Owners that admit families using a self-certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.	Monthly	PHAs/MFH Owners
Identity Verification Report	Identifies tenants that, failed SSA verification, and failed EIV pre-screening.	Monthly	PHAs/MFH Owners
Income Discrepancy Report for MFH Programs	Identifies households where there is an income discrepancy in the wage, unemployment, and SSA benefit information reported in EIV and wage, unemployment, and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis. The report serves as a tool to alert MFH Owners that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.	Must be used at annual reexamination. MFH Owners may use the report at other intervals, in accordance with the MFH Owner's written EIV policies and procedures. MFH Owners are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the MFH Income Discrepancy Report.	MFH Owners

Income Information for PIH Programs Income Report for MFH Programs	Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test. Identifies tenants who: • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies.	Must be used at annual reexamination; not required at interim reexaminations. PHAs/Owners may use, if desired. PHAs/MFH Owners are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income. New Admissions: Review new admissions within 120 days after the move-in information is transmitted to HUD to confirm/validate the income reported by the household.^{J2}	PHAs/MFH Owners
Income Validation Tool Report for PIH Programs	Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services (HHS) using the National Directory of New Hires (NDNH) database, and the SSA.	PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual reexamination of family income and composition. PHAs may use the report at other intervals, in accordance with the PHA's ACOP or Administrative Plan. PHAs are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the MFH and Public Housing Income Discrepancy Reports.	PHAs

^{J2} PHAs/MFH Owners must rely on other documents (e.g., pay stubs, benefit award letters, etc.) to verify families' income eligibility before admission.

Multiple Subsidy Report	Identifies tenants who may be receiving rental assistance at more than one location.	At least quarterly	PHAs/MFH Owners
New Hires Report	Identifies tenants who have new employment within the last six months. Report is updated monthly.	PHAs/MFH Owners must review this information at annual reexamination except when the PHA/MFH Owner uses Safe Harbor verification to determine the family's income. PHAs/MFH Owners that do not require families to undergo interim reexaminations (IRs) for income increases after an IR decrease do not need to review this report at all between a family's annual reexamination. If the PHA/MFH Owner's policy is to require an IR for increases in income after an IR decrease, then the PHA/MFH Owner must review the report quarterly after the family's IR decrease.	PHAs/MFH Owners
No Income Reported by HHS or SSA	Identifies tenants who passed the SSA identity test but where no income was reported by HHS or SSA. This scenario does not mean that the tenant does not have any income. PHAs/MFH Owners must obtain written, third-party verification of any income reported by the tenant.	As identified in a PHA's ACOP or Administrative Plan or a MFH Owner's written EIV policies and procedures.	PHAs/MFH Owners
No Income Reported on 50059	Identifies households where there is no income listed on the HUD-50059.	As identified in MFH Owner's written EIV policies and procedures.	MFH Owners

Summary Report	Summary of household information from the current, active certification in the TRACS file at the time of the income match.	Must be used at annual reexamination; not required at interim reexaminations. MFH Owners may use the report at other intervals, if desired, as described in the MFH Owner's written EIV policies and procedures.	MFH Owners
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PHA/MFH Owner Discretion: PHAs/MFH Owners may choose to use EIV to verify tenant employment and income information at interim reexaminations of family composition and income. PHAs that choose to use EIV to verify income information at interim reexaminations must include this information in the PHA's ACOP and/or Administrative Plan. MFH Owners who choose to use EIV to verify tenant employment and income information at interim reexaminations must establish this policy in their written EIV policies and procedures. Any policy adopted by a PHA/MFH Owner must be applied consistently for all households.

J.4 Determination of Income Using Other Means Tested Public Assistance (i.e., "Safe Harbor")

Regulation: 24 CFR §§ 5.609(c)(3) and 891.105; 891.410(b)-(c) and (g); and 891.610(b)-(c) and (g)

Summary: PHAs/MFH Owners may determine a family's annual income, including income from assets, prior to the application of any deductions based on income determinations made within the previous 12-month period, using income determinations from the following types of means-tested federal public assistance programs:

- The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.).
- Medicaid (42 U.S.C. 1396 et seq.).
- The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).
- The Earned Income Tax Credit (26 U.S.C. 32).
- The Low Income Housing Tax Credit (26 U.S.C. 42).
- The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786).
- Supplemental Security Income (42 U.S.C. 1381 et seq.).
- Other programs administered by the Secretary.
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding.
- Other federal benefit determinations made by other means-tested federal programs that the Secretary determines to have comparable reliability and announces through a *Federal Register* notice.

If a PHA/MFH Owner elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members), and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs/MFH Owners will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR § 5.618.

The Safe Harbor verification may be in the form of an award letter from the relevant federal program and must show that the family's income determination was made in the previous 12 months. **HUD clarifies in this notice that the verification will be considered acceptable if the documentation meets the criteria that the income determination was made within the 12 months prior to the receipt of the verification by the PHA/MFH Owner. This satisfies all verification date requirements for Safe Harbor income determinations.**

The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA/MFH Owner:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that PHA/MFH Owners are permitted to use to determine income under this Safe Harbor is the total income determination made by the federal means-test program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information **must not** be considered by the PHA/MFH Owner for purposes of the HOTMA Safe Harbor provision. PHAs/MFH Owners are not permitted to mix and match Safe Harbor income determinations and other income verifications.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs/MFH Owners are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

It is anticipated that in many cases tenants will provide the PHA/MFH Owner with the Safe Harbor third-party verification for the purpose of reexamination, rather than the PHA/MFH Owner mailing a verification form to the third party to complete. If the

PHA/MFH Owner does not accept Safe Harbor documentation, is unable to obtain Safe Harbor documentation, or if the family disputes the other program's income determination, the PHA/MFH Owner must calculate the family's annual income using the methods established in § 5.609(c)(1) and (2).

If the PHA/MFH Owner uses a Safe Harbor determination to determine the family's income for an income examination (New Admission/Move Ins, Initial Certification for MFH programs only, Interim Reexamination, or Annual Reexamination), then the family is obligated to report changes in income that meet the reporting requirement and occur after the effective date of the PHA/MFH Owner's transaction. This might mean that a certain source of income was not considered in the family's income, because the other program does not consider the source to be income. For example, if the family begins receiving a new source of income on 2/1/2024 and the PHA/MFH Owner completed an annual reexamination effective 3/1/2024 using a Safe Harbor income determination, then the family does not need to report that change in income. If the family has a change in adjusted income in accordance with HUD's rules that occurs after 3/1/2024, when the Annual Reexamination was effective, then the family must report the change to the PHA/MFH Owner.

Example J1: Acceptable Verification of Safe Harbor

Background: A PHA/MFH Owner decides to implement the Safe Harbor provision, and their policy states that they will accept income determinations from the Supplemental Nutrition Assistance Program (SNAP). At the Smith family's annual reexamination interview, the Smiths provide the reexamination specialist an original print-out from the agency that administers SNAP benefits. The printout reflects the Smith's correct family size of 4, and current household composition, and it states the total amount of the family's earned income. The annual income is \$19,500 (\$812.50 x 24 semi-monthly pay periods). The print-out was dated 30 days prior to the PHA/MFH Owner's request, and the income was determined six months ago.

SNAP Budget Calculation (from State Department of Social Services)

Report Date: 05/17/2024

Head of Household: Smith, Hunter

Home Address: 123 Main Street, USA

Household members:

<u>Last Name</u>	<u>First Name</u>	<u>Date of Birth</u>	<u>Relationship</u>
Smith	Hunter	01/01/1974	Head of Household
Smith	Annabelle	06/18/1976	Spouse
Smith	Lola	05/17/2019	Daughter
Smith	Eric	05/17/2019	Son

Budget Calculation

Monthly Earned Income: \$1,625

Total Unearned Income: \$0

Standard Deduction: \$112.50

Monthly child care/dependent care: \$50

Allowable medical deductions: \$0

Result: The PHA/MFH Owner may use this printout to determine the Smith's annual income for their annual reexamination. The PHA/MFH Owner lists \$19,500 as the annual income for the family's reexamination (\$1,625 monthly earned income + \$0 unearned income x 12 months). The PHA/MFH Owner **does not** need to take any additional steps to verify or calculate gross annual income, including comparing the income determination to EIV data. The PHA would then verify and apply applicable deductions to calculate the family's annual adjusted income.

PHA/MFH Owner Discretion: PHAs/MFH Owners are not required to accept or use determinations of income from other federal means-tested forms of assistance.

PHAs/MFH Owners must establish in policy whether and when they will accept Safe Harbor income determinations (e.g., at reexamination only or at admission and reexamination), including which programs from which they will accept income determinations. PHAs/MFH Owners must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., to accept the most recent income determination). These policies must be included in the PHA's/MFH Owner's ACOP, Administrative Plan, or Tenant Selection Plan, as applicable.

J.5 Verification Hierarchy

Regulation: 24 CFR §§ 5.240(c); 5.659(d); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); 960.259(c); 982.201(e); and 982.516(a)(2)

Summary: PHAs/MFH Owners are responsible for obtaining third-party verification of reported family annual income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income. Third-party verification is a process by which PHAs/MFH Owners gather information (e.g., about the family's annual income, value of assets, etc.) independently from the source of the income, assets, expenses, or other factors that affect the determination of adjusted income. Third-party verification may be obtained directly from the third party or through the family. PHAs/MFH Owners must document in the tenant file the reason why third-party verification was not available unless HUD's regulations specifically permit families to self-certify a particular component of adjusted income.

HUD developed a hierarchy (see table J2, below) that describes verification documentation from most acceptable to least acceptable. The PHA/MFH Owner must demonstrate efforts to obtain third party verification prior to accepting self-certification except instances when self-certification is explicitly allowed (e.g., net family assets that do not exceed \$50,000).

A description of each verification technique and additional guidance follows Table J2.

Table J2: Verification Hierarchy

Level	Verification Technique	Ranking/Order of Acceptability
6	Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV) system	Highest PHAs/MFH Owners must pull the EIV Income Report for each family at every Annual Reexamination, unless using Safe Harbor documentation to verify the family's income EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written, third-party verification from the source, also known as "tenant-provided verification" OR EIV + Self-Certification PHAs/MFH Owners can choose either option when both are available to verify income. PHAs/MFH Owners must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	High • Written, third-party verification is used when tenant disputes EIV-reported employment and income information. • The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	Written, Third-Party Verification Form	Medium • Use if Level 5 or Level 4 verification is not available or is rejected by the PHA/MFH Owner and when the applicant or tenant is unable to provide acceptable documentation. • May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	Self-Certification (not third-party verification)	Low • Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets

		when the family certifies that net family assets do not exceed \$50,000. • May be used as highest form of verification when the family reports zero income.
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J.5.a Third-Party Verification Descriptions and Guidance

- **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to all PHAs/MFH Owners as a UIV technique and that all PHAs/MFH Owners are required to use EIV in its entirety (see paragraph J.3 on Mandated and Discretionary Use of EIV). PHAs/MFH Owners are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to verify tenant-reported income.
- **Written, Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA/MFH Owner. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. PHAs/MFH Owners may obtain any tenant-provided documents and follow up directly with the third-party source to obtain necessary verification of information, when necessary.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include but are not limited to the following: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

PHAs/MFH Owners are required to obtain a minimum of two current and consecutive pay stubs for determining projected annual income from wages when they are relying on pay stubs for Level 4 documentation. MFH Owners were previously required to collect the most recent four to six weeks of pay stubs to verify employment income. For new income sources or when two pay stubs are not available, the PHA/MFH Owner should determine income based on the information from a traditional written, third-party verification form or the best available information.

Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

When verification of assets is required, PHAs/MFH Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. MFH Owners were previously required to average the balance of six checking account statements to determine the cash value of a checking account.

EIV may be used as Level 4 verification and may be used to calculate income as long as the family agrees with the information in EIV; this practice is known as “EIV + Self-Certification.” The PHA/MFH Owner may use their discretion to determine which method of calculation is reasonable: the last 4 quarters combined or an average of any number of quarters. The EIV Income report must be pulled within 120 days prior to the reexamination effective date.

- **Written, Third-Party Verification Form (Level 3):** This practice is also known as “traditional third-party verification.” This type of verification is a form developed by the PHA/MFH Owner and used uniformly for all families when needed to collect information from a third-party source. The form is completed by the third party by hand (in writing or typeset). PHAs/MFH Owners send the form directly to the third-party source by mail, fax, or email.

The PHA/MFH Owner may skip this level of verification before attempting Level 2, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

- **Oral Third-Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique, or identified by the family, via telephone or in-person visit. PHA/MFH Owner staff must document in the tenant file the date and time of the telephone call (or visit to the third party) and the name of the person contacted and their telephone number, along with the confirmed information.

This verification method is commonly used when the independent source does not respond to the PHA/MFH Owner’s faxed, mailed, or e-mailed request for information in a reasonable time frame (e.g., 10 business days).

The PHA/MFH Owner may skip this level of verification if they attempted Level 3, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

- **Non-Third-Party Verification Technique: Self-Certification (Level 1):** The tenant submits a signed statement of reported income and/or expenses to the PHA/MFH Owner. This verification method should be used as a last resort when the PHA/MFH Owner has not been successful in obtaining information via all other required verification techniques. When the PHA/MFH Owner relies on self-certification to verify income or expenses, the PHA/MFH Owner must document in the tenant file why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

Sample language to use in a self-certification: “I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)”

J.6 Verification of Social Security Number (SSN)

Regulation: 24 CFR § 5.216(g)(1) 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g)

Summary: It has become increasingly difficult for applicants to meet HUD’s SSN disclosure requirements, particularly for those individuals experiencing homelessness. To help protect individuals’ privacy, many federal, state, and local agencies no longer print an individual’s SSN on official documentation. Individuals may be required to visit their local Social Security office and provide original identity documentation in order to obtain a replacement Social Security card.

HUD is adjusting what the Department considers acceptable documentation of SSN under 24 CFR § 5.216(g)(1) to make it easier for applicants to access programs even if they do not have access to their Social Security card or other documentation acceptable to HUD. PHAs/MFH Owners must still attempt to gather third-party verification of SSN prior to admission; however, they will also have the option of accepting a self-certification and a third-party document with the applicant’s name printed on it to satisfy the SSN disclosure requirement if the PHA/MFH has exhausted all other attempts to obtain the required documentation. HUD has provided similar flexibility to PHAs through the CARES Act waivers and for Emergency Housing Vouchers.

HUD prescribes, through this notice and in accordance with 24 CFR 5.216(g)(1)(iii), that the following evidence of SSN is acceptable only after the PHA/MFH Owner has attempted to first obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual:

Self-certification of SSN *and* at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual.

If verifying an individual’s SSN using this method, the PHA/MFH Owner must document why the other SSN documentation was not available.

If the tenant’s SSN becomes verified in EIV, then no further verification is required. If the tenant’s SSN fails the SSA identity match, then the PHA/MFH Owner must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the

individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

J.7 Verification of Excluded Income

To reduce administrative burdens on PHAs/MFH Owners, HUD is providing guidance and clarification on the requirements for verifying excluded income.

For income sources where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR § 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD, the PHA/MFH Owner **is not** required to:

- Verify the income using third-party verification;
- Document in the tenant file as to why the third-party verification was not available as required by 24 CFR §§ 5.659(d), 960.259(c)(i), and 24 CFR 982.516(a)(2); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); or
- Report the income on forms HUD-50058/HUD-50059.

PHAs/MFH Owners may accept an applicant or participant's self-certification as verification of excluded income. The PHA/MFH Owner's application and reexamination questionnaire documentation may serve as the self-certification of excluded income. PHAs/MFH Owners have the option of verifying the income using third-party verification, if necessary, to determine if a source of income qualifies for exclusion.

Examples of excluded income categories that are verifiable through applicant or participant self-certification include:

- Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
- Income of a live-in aide. For a complete list of income exclusions, see 24 CFR § 5.609(b).

An income source that is partially excluded, for example, earnings in excess of \$480 for full-time students 18 years of age or older (24 CFR § 5.609(b)(14)), must be third-party verified and reported on forms HUD-50058/HUD-50059.

J.8 Zero Income Procedures

PHAs/MFH Owners may accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to verify zero reported income. HUD does not require that such self-certification be notarized. PHAs/MFH Owners are reminded that they must verify families' income in EIV within 120 days after admission, except where the PHA/MFH Owner used Safe Harbor documentation to verify a family's income.

PHAs/MFH Owners have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero income worksheet at admission or periodically after admission to determine if they have any sources of unreported income, or searching an upfront income verification source (see Level 5) for unreported income, such as a public benefits database to which the PHA/MFH Owner has

access. These procedures are meant to avoid improper payments and the need for repayment agreements.

In calculating annual income from a zero income worksheet, PHAs/MFH Owners must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(24)(vi)). PHAs/MFH Owners perform an interim reexamination only due to an increase in the family's adjusted income (24 CFR §§ 5.657(c)(3); 882.515(b)(3); 891.410(g)(2); 891.610(g)(2); 960.257(b)(3); and 982.516(c)(3)).

PHAs/MFH Owners that establish zero income procedures must update their local discretionary policies, procedures, and forms to comply with the final rule requirements. For example, families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the form HUD-50058/HUD-50059.

APPENDIX: SAMPLE NET FAMILY ASSET SELF-CERTIFICATION FORM

Self-Certification of Net Family Assets and Real Property

This form will help determine your eligibility for the program under the asset limitation. Your housing provider may also use this form to help determine your income from assets if your total net family assets do not exceed \$50,000 (adjusted annually for inflation). Third-party verification is required when net family assets exceed \$50,000, and every three years.

Real Property (for example: land, house, condominium, commercial building, etc.).

1. Do you or any member of your assisted family have an ownership interest in any real property?

☐ Yes

☐ No

If the answer to question #1 is No, skip to question #6.

2. If yes, please check off if any of the following statements are true about the property:

_____ The property does not meet the disability-related needs for all members of the family (for example, physical accessibility requirements, accessible common areas, disability-related need for additional bedrooms, or closeness to accessible transportation/medical facilities/other supportive services, etc.);

_____ The property is not sufficient for the size of the family;

_____ The property is located in an area that is a hardship (for instance, far from a family member's place of work or school);

_____ The property is not safe to live in because of physical condition; or

_____ The property is not a property where a family can live based on the State or local laws where the property is located.

If you checked off any of the above statements, you will need to provide additional documentation to demonstrate that the statement is true.

3. If you did not check off any of the statements in question 2, do you or any member of your assisted family have the legal authority to sell the property?

☐ Yes ☐ No

4. There is an exemption from the limitation on assistance for families that have an ownership interest in real property for victims of domestic violence, dating violence, sexual assault, and stalking. If you or any member of the assisted family is a victim, you can claim this exemption from the real property limitation. Please check this box if you think you may be eligible for this exemption..

☐ I believe I may be eligible for this exemption and I would like more information from the PHA's VAWA Coordinator or Executive Director, or the MFH property's Owner/Agent. (If you do not understand this exemption or how to exercise your rights, you can speak to these individuals for more information.)

5. What is the estimated cash value of the property (market value minus mortgage/other loans and costs to sell. Enter \$0 if market value of property is less than outstanding debt (i.e., mortgage is upside down/underwater)?

\$

Other Assets (for example: accounts, luxury items that are not necessary)

6. How much income do you expect your family to earn from your total family assets in the next year? This includes interest, dividends, and other earnings, e.g., anything for which you receive Form 1099 tax documents. Actual income (interest, dividends, etc.) from excluded assets is included as income.

\$

7. Do you or any member of your assisted family have other assets (including checking accounts, savings accounts, certificates of deposits (CDs), stocks, bonds, luxury items, recreational vehicles, etc.) that total more than \$50,000 (adjusted annually for inflation)?

☐ Yes ☐ No

Assets to consider	Assets always excluded
• Checking and savings accounts • Stocks, bonds, mutual funds	• Retirement accounts (e.g., IRAs, 401k, 403b) • Educational savings accounts (Section 529, Section 530, Coverdell ESA, etc.)

• Luxury items or items that are not necessary, e.g., recreational boat, vehicles not used for regular transportation • Assets disposed of for less than fair market value; for example, if you gave away a house to someone out outside of the assisted family within the past two years, the value of the house would be considered an asset (except as determined by certain divorce or separation settlements)	• ABLE accounts • Non-revocable trusts • Necessary items of personal property (items essential for the maintenance, use, and occupancy of a home or necessary for employment, education, cultural expression, or health and wellness) • Federal tax refunds (must be subtracted from total net family assets)
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I/We, the undersigned, certify that the information provided here is true and correct to the best of my knowledge and recollection. Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)



04/16/2026

Head of Household Signature

Date

Section 6.0 (a) – PHA Plan Update – Plan Elements Revised

Item #1 – Eligibility Selection and Admissions Policies including Deconcentration and Wait List procedure

Wait List Re-Opening Projections for FY 2026

SLHA's wait list is a pool of applicants that have a need and demand for units by location. By analyzing trends of refusal and acceptance of unit offers, and the number of applicants by site, we can discern which developments are considered most and least desirable. Thus, with this information we determine when to open and close our wait lists.

HUD AMP #	SLHA #	Development Name	Management Office Address	Re-opening Wait Lists Projections for FY 2026
AMP 000002	MO1-002	Clinton-Peabody	1401 LaSalle	NO
AMP 000010	MO1-010	James House	4310 St. Ferdinand	NO
AMP 000013B	MO1-013B	Euclid Plaza Apartments	5310 N. Euclid	NO
AMP 000017	MO1-017	West Pine	4490 West Pine	NO
AMP 000019	MO1-019	Parkview Apartments	4451 Forest Park	YES
AMP 000028	MO1-028	Badenhaus & Badenfest	8450 Gast Place	NO
AMP 000034	MO1-034	LaSalle Park	1001 Hickory	NO
AMP 000037	MO1-037	Cochran Plaza	1420 N 10 th	NO
AMP 000038	MO1-038	Armand & Ohio	2947,4951,4957 Armand	NO*
AMP 000038	MO1-038	South Side Scattered Sites	3447 Lafayette	NO
AMP 000041	MO1-041	North Side Scattered Sites	1007 N. Taylor	NO
AMP 000044	MO1-044	Murphy Park I, II & III	1920 Cass	NO
AMP 000047	MO1-047	King Louis Square I & II	1524 South 13 th & 1129 Hickory	NO
AMP 000048	MO1-048	Les Chateaux	1330 Chouteau	YES
AMP 000050	MO1-050	Renaissance Place at Grand I, II & III	1001 N. Compton	NO
AMP 000052	MO1-052	King Louis III	1001 Hickory	NO
AMP 000054	MO1-054	Sr. Living at Ren. Pl.	3217 Martin Luther King	YES
AMP 000055	MO1-055	Gardens at Ren. Pl.	3117 Thomas	NO
AMP 000056	MO1-056	Cahill House	1919 O'Fallon	YES
AMP 000058	MO1-058	Cambridge Heights I & II	703 O'Fallon	NO
AMP 000061	MO1-061	Kingsbury Terrace	5655 Kingsbury	NO
AMP 000062	MO1-062	Sr. Living at Cambridge Heights	728 Biddle	YES
AMP 000063	MO1-063	Arlington Grove	5547 Martin Luther King	NO
AMP 000064	MO1-064	North Sarah I, II & III	1024 North Sarah	NO
AMP 000067	MO1-067	Preservation Square I	1406 N 16 th	NO
		Section 8 Wait List	3520 Page Blvd.	NO

*After all current applicants on the Armand & Ohio wait list have been contacted and the list exhausted it will not be re-opened. Going forward it will be merged with the Southside Scattered Sites Waiting List.

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #4

Section B.1 (c) – PHA Plan Update – Plan Elements Revised

Item 3 – Financial Resources

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FFY 2026 grants)		
a) Public Housing Operating Fund	13,468,746	PHA Operations
b) Public Housing Capital Fund Grant	9,101,544	Capital Improvements
c) Housing Choice Voucher/VASH Program	57,892,539	Housing Assistance Payments and Administrative Fees
d) MS5-Mainstream 5 Voucher Program	372,082	Housing Assistance Payments
e) EHV-Emergency Housing Voucher	1,192,728	Housing Assistance Payments
f) Resident Opportunity and Self-Sufficiency Grants (ROSS)	724,174	FFS Coordinator for Public Housing & S8 Program
Other Federal Grants (list below)		
2. Prior Year Federal Grants (unobligated funds only) (list below)		As of 3/31/26
FFY 2022-MO36P00150122	547,429	Capital Improvements
FFY 2023-MO36P00150123	2,137,953	Capital Improvements
FFY 2022-MO36H00150122	343,609	Capital Improvements
FFY 2024-MO36P00150124	4,900,141	Capital Improvements
FFY 2024-MO36E00150124	58,081	Capital Improvements
FFY 2025-MO36P00150125	9,280,621	Capital Improvements
ROSS 2023-ROSS231786	56,336	ROSS Service Coordinator
3. Public Housing Dwelling Rental Income	2,549,952	PHA Operations
4. Other income (list below)		
Interest on Investments	500	PHA Operations
Interest on Investments/Fraud Recovery	0	Housing Assistance
Other (Dividends/Insurance Proceeds)	85,000	PHA Operations
Other (Charges to Residents)	161,024	PHA Operations
5. Non-federal sources (list below)		
Interest on Investments	120,000	
Other (Space Rentals)	84,560	
Total resources	103,077,019	

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #5

Section B.1 (b) – Rent Determination

FY 2026 Flat Rent Comparables

Proposed Flat Rent Comparables
2026

							80% FMR
							Increase
							No Increase
							Decrease
	Current Flat Rent	Comp. Rent	Comp. Rent	Comp. Rent	Average Comp. Rent	80% FMR minus UA	Proposed Flat Rent
<u>James House</u>							
0 bdrm	\$689	\$618	\$1,046	\$828	\$831	\$696	\$739
1 bdrm	\$728	\$1,325	\$930	\$800	\$1,018	\$728	\$778
<u>West Pine</u>							
1 bdrm	\$1,170	\$1,270	\$1,693	\$1,598	\$1,520	\$1,184	\$1,220
2 bdrm	\$1,434	\$2,019	\$1,678	\$2,024	\$1,907	\$1,448	\$1,484
<u>Parkview</u>							
0 bdrm	\$1,085	\$1,120	\$1,154	\$1,157	\$1,144	\$1,136	\$1,136
1 bdrm	\$1,128	\$1,911	\$1,601	\$1,827	\$1,780	\$1,184	\$1,184
<u>Kingsbury Terrace</u>							
1 bdrm*	\$568	\$1,348	\$1,220	\$1,155	\$1,241	\$744	\$568
2 bdrm*	\$668	\$1,596	\$1,463	\$1,696	\$1,585	\$912	\$668
<u>Euclid Plaza</u>							
0 bdrm	\$715	\$1,031	\$832	\$837	\$900	\$664	\$765
1 bdrm	\$696	\$915	\$700	\$829	\$815	\$696	\$746
2 bdrm	\$848	\$1,009	\$996	\$1,021	\$1,009	\$848	\$898
<u>Badenfest</u>							
1 bdrm	\$652	\$905	\$875	\$1,003	\$928	\$598	\$702
2 bdrm	\$834	\$1,128	\$961	\$1,085	\$1,058	\$734	\$884
<u>Badenhaus</u>							
0 bdrm	\$753	\$844	\$818	\$1,064	\$909	\$688	\$803
1 bdrm	\$712	\$1,025	\$887	\$857	\$923	\$712	\$762
<u>Cochran Plaza</u>							
2 bdrm twnhm	\$980	\$1,436	\$780	\$990	\$1,069	\$640	\$1,030
3 bdrm twnhm	\$1,164	\$2,288	\$1,873	\$1,793	\$1,985	\$837	\$1,214
4 bdrm twnhm	\$1,278	\$2,330	\$2,155	\$2,810	\$2,432	\$965	\$1,328
5 bdrm twnhm	\$1,414	\$3,043	\$1,745	\$3,098	\$2,629	\$1,116	\$1,464
6 bdrm twnhm	\$1,557	\$3,330	\$2,725	\$3,230	\$3,095	\$1,260	\$1,607
<u>LaSalle Park</u>							
2 bdrm	\$1,204	\$1,796	\$1,708	\$1,745	\$1,750	\$912	\$1,254
3 bdrm	\$1,375	\$2,471	\$2,572	\$2,432	\$2,492	\$1,189	\$1,425
4 bdrm	\$1,425	\$3,126	\$2,938	\$3,092	\$3,052	\$1,365	\$1,475
<u>Clinton Peabody</u>							
1 bdrm	\$954	\$1,329	\$1,275	\$1,158	\$1,254	\$746	\$1,004
2 bdrm	\$1,131	\$1,491	\$1,547	\$1,512	\$1,517	\$912	\$1,181
3 bdrm	\$1,325	\$2,253	\$2,204	\$1,650	\$2,036	\$1,189	\$1,375
4 bdrm	\$1,385	\$2,097	\$1,957	\$1,902	\$1,985	\$1,365	\$1,435
5 bdrm	\$1,592	\$2,056			\$2,056	\$1,576	\$1,642
6 bdrm	\$1,792	\$2,385			\$2,385	\$1,780	\$1,842
<u>Lafayette Apartments</u>							
0 bdrm	\$887	\$1,342	\$1,023	\$1,004	\$1,123	\$832	\$937
1 bdrm	\$1,032	\$1,387	\$1,302	\$1,064	\$1,251	\$872	\$1,082
<u>California Gardens</u>							
0 bdrm	\$728	\$1,075	\$980	\$1,000	\$1,018	\$728	\$778
1 bdrm	\$787	\$1,071	\$1,211	\$1,041	\$1,108	\$760	\$837
<u>Armand & Ohio</u>							
3 bdrm	\$1,224	\$1,425	\$1,819	\$1,874	\$1,706	\$1,180	\$1,274
5 bdrm twnhm	\$1,585	\$3,278	\$3,498	\$3,350	\$3,375	\$1,563	\$1,635

Proposed Flat Rent Comparables
2026

	Current Flat Rent	Comp. Rent	Comp. Rent	Comp. Rent	Average Comp. Rent	80% FMR minus UA	Proposed Flat Rent
<u>Lafayette Town</u>							
1 bdrm	\$1,001	\$905	\$1,150	\$1,329	\$1,128	\$766	\$1,051
2 bdrm	\$1,151	\$1,471	\$1,806	\$1,981	\$1,753	\$937	\$1,201
3 bdrm	\$1,325	\$2,258	\$2,863	\$2,043	\$2,388	\$1,219	\$1,375
<u>Tiffany Turnkey</u>							
1 bdrm	\$888	\$1,251	\$981	\$901	\$1,044	\$838	\$938
2 bdrm	\$1,107	\$1,791	\$1,621	\$1,621	\$1,678	\$1,025	\$1,157
<u>Folsom</u>							
2 bdrm	\$963	\$1,347	\$1,297	\$1,257	\$1,300	\$1,025	\$1,025
3 bdrm	\$1,261	\$1,679	\$1,904	\$1,729	\$1,771	\$1,331	\$1,331
4 bdrm	\$1,443	\$1,922	\$1,847	\$2,042	\$1,937	\$1,532	\$1,532
<u>Marie Fanger</u>							
2 bdrm	\$1,161	\$1,732	\$1,777	\$1,949	\$1,819	\$1,025	\$1,211
3 bdrm	\$1,275	\$1,350	\$1,185	\$1,719	\$1,418	\$1,331	\$1,331
4 bdrm	\$1,443	\$1,847	\$2,042	\$1,842	\$1,910	\$1,532	\$1,532
<u>South Broadway</u>							
3 bdrm	\$1,150	\$1,977	\$2,042	\$1,944	\$1,988	\$867	\$1,200
<u>McMillan Manor</u>							
3 bdrm	\$1,603	\$1,893	\$1,640	\$1,763	\$1,765	\$1,685	\$1,685
4 bdrm	\$1,823	\$2,090	\$2,300	\$2,125	\$2,172	\$1,933	\$1,933
<u>McMillan Manor II</u>							
3 bdrm	\$1,598	\$1,938	\$1,925	\$1,808	\$1,890	\$1,676	\$1,676
4 bdrm	\$1,817	\$2,135	\$2,345	\$2,170	\$2,217	\$1,933	\$1,933
<u>Samuel Shepard</u>							
2 bdrm	\$883	\$1,556	\$1,214	\$1,476	\$1,415	\$921	\$933
3 bdrm	\$1,157	\$1,119	\$2,639	\$1,448	\$1,735	\$1,203	\$1,207
4 bdrm	\$1,323	\$1,847	\$1,467	\$1,902	\$1,739	\$1,380	\$1,380
<u>Page Manor</u>							
3 bdrm	\$1,063	\$1,655	\$1,354	\$1,879	\$1,629	\$997	\$1,113
4 bdrm	\$1,090	\$1,767	\$942	\$1,267	\$1,325	\$1,141	\$1,141
<u>Hodiamont</u>							
2 bdrm	\$834	\$1,176	\$1,137	\$897	\$1,070	\$785	\$884
3 bdrm	\$1,097	\$1,354	\$1,834	\$1,324	\$1,504	\$1,027	\$1,147
4 bdrm	\$1,201	\$942	\$1,267	\$1,607	\$1,272	\$1,180	\$1,251
<u>Towne XV</u>							
3 bdrm	\$1,137	\$1,680	\$1,640	\$1,679	\$1,666	\$993	\$1,187
<u>Cupples</u>							
3 bdrm	\$1,012	\$1,450	\$1,604	\$1,409	\$1,488	\$995	\$1,062
4 bdrm	\$1,213	\$1,757	\$1,772	\$1,467	\$1,665	\$1,140	\$1,263
<u>Walnut Park</u>							
3 bdrm	\$1,063	\$1,188	\$1,420	\$1,470	\$1,359	\$957	\$1,113
5 bdrm	\$1,412	\$1,363	\$2,079	\$2,801	\$2,081	\$1,263	\$1,462
<u>Lookaway</u>							
3 bdrm	\$1,145	\$1,353	\$1,543	\$1,453	\$1,450	\$1,029	\$1,195
4 bdrm	\$1,221	\$1,925	\$1,880	\$1,755	\$1,853	\$1,173	\$1,271
<u>King Louis Square III -</u>							
1 bdrm garden	\$860	\$1,350	\$1,310	\$1,206	\$1,289	\$758	\$910
3 bdrm twnhm	\$1,200	\$2,449	\$2,103	\$1,992	\$2,181	\$1,169	\$1,250
4 bdrm twnhm	\$1,341	\$2,010	\$3,165	\$2,201	\$2,459	\$1,333	\$1,391

Proposed Flat Rent Comparables
2026

	Current Flat Rent	Comp. Rent	Comp. Rent	Comp. Rent	Average Comp. Rent	80% FMR minus UA	Proposed Flat Rent
<u>Murphy Park I</u>							
2 bdrm garden*	\$964	\$1,242	\$1,136	\$1,387	\$1,255	\$669	\$964
2 bdrm twnhm*	\$964	\$1,015	\$1,722	\$910	\$1,216	\$640	\$964
3 bdrm garden*	\$1,114	\$1,242	\$1,282	\$1,028	\$1,184	\$870	\$1,164
3 bdrm twnhm*	\$1,114	\$2,541	\$2,577	\$2,086	\$2,401	\$837	\$1,164
4 bdrm twnhm*	\$1,243	\$2,215	\$2,991	\$2,415	\$2,540	\$965	\$1,243
5 bdrm twnhm - PH**	\$1,475	\$2,944	\$3,129	\$2,981	\$3,018	\$1,116	\$1,525
6 bdrm twnhm - PH**	\$1,595	\$3,064	\$2,765	\$3,270	\$3,033	\$1,260	\$1,645
<u>Murphy Park II</u>							
2 bdrm garden*	\$1,052	\$1,242	\$1,136	\$1,387	\$1,255	\$669	\$1,102
2 bdrm twnhm*	\$1,052	\$1,015	\$1,722	\$910	\$1,216	\$640	\$1,102
3 bdrm garden*	\$1,147	\$1,242	\$1,282	\$1,028	\$1,184	\$870	\$1,197
3 bdrm twnhm*	\$1,113	\$2,541	\$2,577	\$2,086	\$2,401	\$837	\$1,163
4 bdrm twnhm*	\$1,354	\$2,215	\$2,991	\$2,415	\$2,540	\$965	\$1,404
<u>Murphy Park III</u>							
2 bdrm garden*	\$872	\$1,242	\$1,136	\$1,387	\$1,255	\$669	\$872
2 bdrm twnhm*	\$880	\$1,015	\$1,722	\$910	\$1,216	\$640	\$880
3 bdrm garden*	\$946	\$1,242	\$1,282	\$1,028	\$1,184	\$870	\$950
3 bdrm twnhm*	\$946	\$2,215	\$2,991	\$2,415	\$2,540	\$837	\$950
4 bdrm twnhm - PH**	\$1,372	\$2,215	\$2,991	\$2,415	\$2,540	\$965	\$1,422
5 bdrm twnhm - PH**	\$1,515	\$2,944	\$3,129	\$2,981	\$3,018	\$1,116	\$1,565
6 bdrm twnhm - PH**	\$1,595	\$3,064	\$2,765	\$3,270	\$3,033	\$1,260	\$1,645
<u>Renaissance PI @ Grand</u>							
1 bdrm garden*	\$708	\$941	\$1,113	\$821	\$958	\$534	\$708
2 bdrm garden*	\$849	\$1,657	\$1,412	\$1,555	\$1,541	\$665	\$849
2 bdrm twnhm*	\$849	\$1,586	\$1,015	\$890	\$1,164	\$640	\$849
3 bdrm twnhm - PH**	\$1,210	\$1,877	\$2,035	\$1,503	\$1,805	\$837	\$1,260
4 bdrm twnhm - PH**	\$1,275	\$2,145	\$2,794	\$2,174	\$2,371	\$965	\$1,325
5 bdrm twnhm - PH**	\$1,424	\$3,421	\$2,951	\$3,098	\$3,157	\$1,116	\$1,474
<u>Renaissance PI @ Grand II</u>							
1 bdrm garden*	\$708	\$941	\$1,113	\$821	\$958	\$534	\$708
2 bdrm garden*	\$830	\$1,657	\$1,412	\$1,555	\$1,541	\$665	\$830
2 bdrm twnhm*	\$830	\$1,586	\$1,015	\$890	\$1,164	\$640	\$830
3 bdrm twnhm*	\$959	\$1,877	\$2,035	\$1,503	\$1,805	\$837	\$959
4 bdrm twnhm - PH**	\$1,225	\$2,145	\$2,794	\$2,174	\$2,371	\$965	\$1,275
5 bdrm twnhm - PH**	\$1,424	\$3,421	\$2,951	\$3,098	\$3,157	\$1,116	\$1,474
<u>Renaissance PI @ Grand III</u>							
1 bdrm garden*	\$658	\$941	\$1,113	\$821	\$958	\$534	\$658
2 bdrm garden*	\$772	\$1,657	\$1,412	\$1,555	\$1,541	\$665	\$772
2 bdrm twnhm*	\$823	\$1,586	\$1,015	\$890	\$1,164	\$640	\$823
3 bdrm twnhm*	\$948	\$1,877	\$2,035	\$1,503	\$1,805	\$837	\$948
4 bdrm twnhm - PH**	\$1,310	\$2,145	\$2,794	\$2,174	\$2,371	\$965	\$1,360
5 bdrm twnhm - PH**	\$1,424	\$3,421	\$2,951	\$3,098	\$3,157	\$1,116	\$1,474
<u>Gardens @ Renaissance</u>							
1 bdrm garden*	\$744	\$1,007	\$1,148	\$1,067	\$1,074	\$640	\$744
2 bdrm garden - PH**	\$982	\$1,335	\$1,284	\$1,866	\$1,495	\$792	\$1,032
<u>Senior Living @ Renaissnace</u>							
1 bdrm garden*	\$746	\$1,215	\$1,199	\$1,009	\$1,141	\$640	\$746
2 bdrm garden - PH**	\$1,022	\$1,606	\$1,292	\$1,208	\$1,369	\$792	\$1,072
<u>King Louis Square</u>							
1 bdrm garden*	\$531	\$1,164	\$1,153	\$1,252	\$1,190	\$766	\$766
2 bdrm grdn/twnhm*	\$663	\$1,907	\$2,013	\$1,631	\$1,850	\$912	\$912
3 bdrm grdn/twnhm*	\$777	\$2,214	\$2,324	\$1,914	\$2,151	\$1,189	\$1,189
4 bdrm twnhm - PH**	\$1,208	\$1,862	\$1,997	\$2,007	\$1,955	\$1,365	\$1,258

Proposed Flat Rent Comparables
2026

	Current Flat Rent	Comp. Rent	Comp. Rent	Comp. Rent	Average Comp. Rent	80% FMR minus UA	Proposed Flat Rent
<u>King Louis Square II (Old Frenchtown)</u>							
1 bdrm garden*	\$572	\$1,350	\$1,510	\$1,149	\$1,336	\$756	\$756
2 brdm garden*	\$704	\$1,574	\$1,689	\$1,576	\$1,613	\$926	\$926
3 bdrm twnhm*	\$830	\$2,344	\$2,445	\$2,085	\$2,291	\$1,178	\$1,178
<u>LesChateaux</u>							
1 bdrm	\$804	\$1,491	\$1,527	\$1,298	\$1,439	\$872	\$804
2 bdrm	\$964	\$1,573	\$1,772	\$1,628	\$1,658	\$1,064	\$964
<u>Cahill House</u>							
1 bdrm garden*	\$732	\$1,225	\$1,122	\$1,001	\$1,116	\$640	\$732
2 brdm garden - PH**	\$967	\$1,214	\$1,651	\$1,416	\$1,427	\$792	\$1,017
<u>Cambridge Heights I</u>							
1 bdrm garden*	\$583	\$733	\$919	\$937	\$863	\$526	\$583
2 brdm garden*	\$715	\$1,134	\$936	\$1,097	\$1,056	\$654	\$715
2 bdrm twnhm*	\$772	\$865	\$1,582	\$1,721	\$1,389	\$624	\$772
3 bdrm twnhm*	\$843	\$2,439	\$1,508	\$1,889	\$1,945	\$817	\$843
4 bdrm twnhm - PH**	\$1,324	\$2,746	\$2,284	\$2,126	\$2,385	\$933	\$1,374
5 bdrm twnhm - PH**	\$1,414	\$2,844	\$3,028	\$2,881	\$2,918	\$1,077	\$1,464
<u>Cambridge Heights II</u>							
1 bdrm garden*	\$606	\$733	\$919	\$937	\$863	\$526	\$633
2 brdm garden*	\$786	\$1,134	\$936	\$1,097	\$1,056	\$654	\$787
2 bdrm twnhm*	\$812	\$865	\$1,582	\$1,721	\$1,389	\$624	\$815
3 bdrm twnhm*	\$910	\$2,439	\$1,508	\$1,889	\$1,945	\$817	\$920
4 bdrm twnhm - PH**	\$1,324	\$2,746	\$2,284	\$2,126	\$2,385	\$933	\$1,374
5 bdrm twnhm - PH**	\$1,414	\$2,844	\$3,028	\$2,881	\$2,918	\$1,077	\$1,464
<u>Cambridge Senior</u>							
1 bdrm garden*	\$667	\$849	\$981	\$998	\$943	\$640	\$720
2 brdm garden	\$917	\$1,071	\$1,246	\$1,247	\$1,188	\$792	\$967
<u>Arlington Grove</u>							
2 brdm twnhm*	\$749	\$1,134	\$1,373	\$1,433	\$1,313	\$753	\$749
3 bdrm twnhm*	\$856	\$1,418	\$1,868	\$1,445	\$1,577	\$988	\$856
<u>North Sarah</u>							
1 bdrm garden*	\$640	\$1,213	\$1,200	\$840	\$1,084	\$1,072	\$640
2 brdm twnhm*	\$749	\$1,195	\$990	\$1,701	\$1,295	\$1,289	\$749
3 bdrm twnhm*	\$855	\$2,028	\$1,573	\$1,898	\$1,833	\$1,676	\$855
<u>North Sarah II</u>							
1 bdrm garden*	\$600	\$1,213	\$1,200	\$840	\$1,084	\$1,072	\$600
2 brdm twnhm*	\$700	\$1,195	\$990	\$1,701	\$1,295	\$1,289	\$700
3 bdrm twnhm*	\$800	\$2,028	\$1,573	\$1,898	\$1,833	\$1,676	\$800
<u>North Sarah III</u>							
1 bdrm garden*	\$600	\$1,213	\$1,200	\$840	\$1,084	\$1,072	\$600
2 brdm twnhm*	\$700	\$1,195	\$990	\$1,701	\$1,295	\$1,289	\$700
3 bdrm twnhm*	\$800	\$2,028	\$1,573	\$1,898	\$1,833	\$1,676	\$800
<u>Preservation Square I</u>							
2 bdrm garden*	\$808	\$1,222	\$976	\$1,367	\$1,188	\$654	\$808
2 brdm twnhm*	\$1,005	\$995	\$1,368	\$870	\$1,078	\$625	\$1,005
3 bdrm garden*	\$1,019	\$1,011	\$1,265	\$1,572	\$1,283	\$851	\$1,019
* Tax Credit Max							
** PH Unit, not Tax Credit							

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #6**Section B.1 (b) – PHA Plan Update – Plan Elements Revised****Item 5 – Operations and Management****Table of HUD Programs Under PHA Management**

Program Name	Families Served at Fiscal Year Beginning 10/01/2025	Expected Turnover
Public Housing	2161	464
Section 8 Vouchers	5890	100
Section 8 Certificates	N/A	N/A
Section 8 Mod Rehab	N/A	N/A
Special Purpose Section 8 Certificates/Vouchers (list individually)		
Veterans Affairs Supportive Housing Program (VASH)	305	0
Mainstream	25	25
Emergency Housing	132	112
Public Housing Drug Elimination Program (PHDEP)	N/A	N/A
Other Federal Programs(list individually)	N/A	N/A

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #7

Section B.1 (b) – PHA Plan Update – Plan Elements Revised

Item 7 – Homeownership

Homeownership Program information is located in Attachment #11-New Activities (page 10)

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #8

Section B.1 (b) – Revisions of PHA Plan Elements

Item 8 - Community Service and Self-Sufficiency Programs:

The Authority's Admissions and Continued Occupancy Policy (ACOP) contain policies that comply with the requirements of community service and treatment of income changes resulting from welfare program requirements for public housing residents.

ROSS Service Coordinator Program Participation Year Ending (February 28, 2026)			
	Required Participants*	Enrolled Participants	Year Ending Totals
Service Coordinators	≥ last year's total	195	0 forfeitures 11 completed

FSS Program Participation Year Ending (February 28, 2026)			
	Required Participants*	Enrolled Participants	Year Ending Totals
Public Housing FSS	19	74 total 14 Active Escrows	0 Graduates 1 Forfeitures
HCV - FSS	19	72 total 11 Active Escrows	2 Graduates 2 Forfeitures

Average monthly escrow: Public Housing- \$98.41

HCV- \$91.33

Average yearly escrow: Public Housing- \$11,408.81

HCV- \$13,841.26

*Each quarter, the total number of new clients must be ≥ 5% of total participants (for ROSS Service Coordinators & FSS-PH **ONLY**. FSS-HCV has a HUD required amount; see above).

Below is a list of community partners working with the Resident Initiatives Department.

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Education/Literacy Salvation Army Pathway of Hope	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Harris-Stowe State University (Undergraduate Education programs, pathways to education, facility use)	Referrals	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Ready Readers	Open to All	Referrals	Resident Initiatives Department FSS Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Faith Brothers (Financial Literacy)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Busey Bank (Financial Literacy)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education Missouri College and Career Attainment Network	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Navigate STL Schools	St. Louis City Students Early Ed High School	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Loyola Academy (College Prep Enrichment High School Advocacy Academic Specialty Sports/Community Engagement)	Male Students 5th grade to 8th grade	Referrals/ Recruitment	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy St. Louis Community Credit Union	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Education/Literacy Better Family Life (Community Engagement Food Resource Home Buying/Asset Development Career Assistance/ Workforce Development Youth Mentoring/Programs)	Open to All	Referrals	Via Referrals from Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Education/Literacy Contemporary Arts Museum STL (Community Access/Engagement Workshops/Performances)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Employment/Job Training Employment Connections (Job Development and Placement Services, Employment Training)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Employment/Mentoring Gamers Island (Training in the musical arts and Entrepreneurship, Youth Workforce Development)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Employment/Mentoring St. Louis Job Corps (Education and Job placement Career Development)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Employment/Job Training SLATE (Job Training and Placement Career Enhancement Summer Youth Jobs Programming)	Open to All	Referrals	Resident Initiatives Department FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents
Employment/Job Training Urban League (Employment Training) BioStl (Employment Training)	Open to All	Walk-Ins	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Employment/Job Training Employment Connections (Career and Job Training/ Workshops Rental Assistance Housing Security)	Open to All	Referrals/ Appointments	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Employment/Job Training In the Door (Youth and Young Adult Job Placement)	Referrals	Referrals/ Appointments	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Family Life Skills Training and Youth Services Places for People (Parenting Training and Interpersonal Skills Development)	Referrals	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Family Life Skills Training and Youth Services POAH (Preservation of Affordable Housing) (Resident Engagement/ Housing Development)	Referrals	Referrals	Resident Initiatives Department	Clinton-Peabody Residents

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Family Life Skills Training Father and Family Support (Employment, Mentoring, Youth, Family Support, Re-Entry)	Open to All	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Financial Literacy Office of Financial Empowerment (Financial education, credit counseling, college savings accounts)	Open to All	Resident Initiatives Department	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Health and Wellness Services Affinia Healthcare (Community Healthcare Services)	Open to All	Referrals	Via referrals Coordinator Elderly/Disabled Services & FSS Coordinators Service Coordinators	Public Housing Elderly/Disabled & Family Residents
Health and Wellness Services STL City Parks and Recreation and Forestry (Access to fitness equipment and instruction, senior and elderly outreach, youth summer camps)	Open to All	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Health and Wellness Services Cardinal Glennon Hospital (Health screenings, free gun locks, and other medical services)	Open to All	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Health and Wellness Services Archwell (Elderly and Disabled Health Care Services)	Open to All	Referrals	Via referrals Coordinator Elderly/Disabled Services & FSS Coordinators Service Coordinators	Public Housing Elderly/Disabled & Family Residents Housing Choice Voucher Residents
Health and Wellness Services Power 4 STL (Harm Reduction/ Overdose Prevention/ Mental Well-Being)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Health and Wellness Services Integrated Health Network (Health Equity)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Health and Wellness Services St. Louis Community Health Workers Coalition (Contacts to Agencies/Health and Wellness Services)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Health and Wellness Services Family Care Centers (Health Services/Clinics North and South City WIC Services)	Open to All	Referrals/ Appointments	Via referrals FSS Coordinators Service Coordinators	Public Housing and Housing Choice Voucher Residents, Elderly and Disabled
Health and Wellness Services Urban Harvest STL (Farming, Self Sufficiency, Apprenticeships/Workshops)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing Elderly/Disabled Residents & Family Residents
Health and Wellness Services HERU Urban Farming (Volunteering Field Trips Food Education Self-Sufficiency Farming)	Open to All	Referrals	Via referrals FSS Coordinators Service Coordinators	Public Housing, Housing Choice Voucher Elderly/Disabled Residents
Health and Wellness Services St. Louis Area Agency on Aging Meals on Wheels	Open to All Elderly/ Disabled Residents	Referrals	Via referrals Coordinator Elderly/Disabled Services	Public Housing Elderly/Disabled Residents
Health and Wellness Services Lifewise (Life Coaching All Ages Early Childhood Center Summer Camps Youth Work)	Open to All	Referrals	Via referrals Coordinator Elderly/Disabled Services	Public Housing Elderly/Disabled Residents
Health and Wellness Services West Side Missionary Baptist Church (Drive Thru Food Bank)	Open to All	No ID Needed Food must be Picked Up	Referrals from Resident Initiatives or Self-Refer	Public Housing Residents Housing Choice Voucher Residents
Health and Wellness Services Love In Action (Medicare/Medicare Educational Services)	Open to All	Referrals	Via referrals Coordinator Elderly/Disabled Services	Public Housing Elderly/Disabled Residents & Family Residents
Youth Services Behind It All Foundation (Mental Health First Aid, Job Training, Community Engagement Events)	Open to All	Referrals	Referrals from Resident Initiatives or Self-Refer	Public Housing Residents Housing Choice Voucher Residents
Youth Services College Bound	Open to low- income and first- generation high school (10 th grade and above) and college students	Referrals	Referrals from Resident Initiatives or Self-Refer	Public Housing Residents Housing Choice Voucher Residents

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Youth Services St. Louis Area Violence Prevention Commission (Youth Engagement & Safety Committee)	Open to Ages (5-18)	Specific Criteria	Resident Initiatives Department Al Chappelle Community Center	Public Housing Residents Housing Choice Voucher Residents
Youth Services STAR (Early Childhood/Childcare)	Open to Ages Birth to 5yrs.	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Youth Services Youth and Family Center (Open Gym, Weekly Health Clinic, Summer Camp, Case Management, Events Senior and Disabled Activities)	Open to all Ages	Referrals, Walk Ins	Resident Initiatives Department Youth & Family Center	Public Housing and Housing Choice Voucher Elderly/Disabled Residents
Youth Services SLU School of Education (Summer Camps/Program) Love In Action POW WOW (Summer Camp/Jobs/Internships Opportunities)	Open to Ages (5-18)	Referrals	Resident Initiatives Department McMillan Manor Residents Via Referrals Coordinators	Public Housing Residents
Youth Services The Sophia Project	Open to Female Participants Middle through High School	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Residents
Youth Services Urban League (Head Start Early Childhood Education)	Open to Ages (6 weeks-5 years)	Referrals	Multiple Head Start Locations	Public Housing and Housing Choice Voucher Residents
Youth Services Deaconess Center for Child Well- Being (Advocacy Programs Focused on Youth)	Open to All	Referrals Walk-Ins Recruitment	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Youth Services Cultural Leadership/LEAD	6th Grade through College Youth/Young Adults	Referrals/ Recruitment	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents
Youth Services Hope House STL (Transitional Housing Childcare)	Open to Families in Transition	Referrals	Resident Initiatives Department	Public Housing and Housing Choice Voucher Residents

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/ random selection/ specific criteria/ other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Youth Services Lifewise (Life Coaching All Ages Early Childhood Center Summer Camps Youth Work Academic Supports)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents
Youth Services Youth In Need (Food, shelter, mental health and case management)	Open to All	Referrals	Resident Initiatives Department Program	Public Housing and Housing Choice Voucher Residents

ATTACHMENT #9

Section B.1 (b) – PHA Plan Update – Plan Elements Revised Item

11 – Asset Management

Long-Term Capital Needs and Strategies

The St. Louis Housing Authority (SLHA) has developed a long-term strategy for operating and maintaining Public Housing assets, which includes self-management of developments that are one hundred percent public housing and the use of third-party management companies to manage public housing units in mixed-finance developments. SLHA utilizes property assessments to prioritize development and modernization activities.

On October 1, 2023, SLHA assumed self-management of its traditional public housing portfolio. This change was made in part to address long-term performance issues under prior third-party management agents. SLHA created an in-house property management department headed by a Director of Property Management position.

The Property Management Department's focus is to establish sustainable and efficient management and maintenance of public housing. The department concentrates on proactive maintenance, financial sustainability, and regulatory compliance. Key tasks include staff training, implementing standardized procedures, conducting preventive maintenance, improving rent collection, and fostering a sense of community within public housing developments. Property Management staff will hold regular, monthly meetings with key SLHA departments to coordinate activities.

The Asset Management Department, through the Director of Policy & Procurement, is responsible for the oversight and administration of SLHA's mixed-finance developments managed by third-party management agents. Asset Management monitors property performance and utilizes a monthly scorecard to track key indicators such as occupancy, recertifications, vacant unit turnaround time. In addition, Asset management holds regular, monthly meetings with each management agent to assess performance.

To prioritize development and modernization activities, SLHA had a Physical Needs Assessment (PNA) and Energy Audit (EA) of its entire affordable housing portfolio completed in 2021. The purpose was two-fold: (1) to fully capture the conditions and needs of public housing units and buildings and (2) to serve as a tool when developing a portfolio plan and identifying strategic decisions regarding investments, including the use of Capital Funds, Rental Assistance Demonstration Program, among others.

The PNA and EA were both completed in February 2022 and are continuing to be used to realign the capital fund plan to address needs identified in a targeted manner over the next five years. SLHA will solicit for a new comprehensive PNA and EA in FY2026.

The Development and Modernization Department, which administers the Capital Fund Program, utilizes the PNA and EA to accomplish portfolio-wide capital improvement planning, including physical and management improvements. The Department is responsible for tracking progress and updating priorities to adjust for fluctuating program funding. Throughout the portfolio, modernization activities will continue to be undertaken to extend the useful life of building systems of all scales and sizes, including vertical transportation (elevators); mechanical, electrical, and plumbing system upgrades; targeted building exterior repairs and a comprehensive program of site repairs, improvements, and public safety.

SLHA will continue to pursue additional local, state and federal resources to assist with capital needs. In addition to the aforementioned capital fund planning, SLHA has received an asset repositioning strategy through a HUD funded consultant. This plan was approved by the SLHA Board of Commissioners in November 2023 and will guide the agency in executing the repositioning strategy for public housing units utilizing RAD and/or Section 18 applications.

ATTACHMENT #10

Section B.1 (c) – Deconcentration of Poverty and Income Mixing [24 CFR 903.1 and 903.2]

Deconcentration of poverty and income mixing is a policy that allows PHA's to bring higher income tenants into lower income developments and lower income tenants into higher income developments. In accordance with 24 CFR Part 903, a Deconcentration and Income Mixing Policy is required as a part of SLHA's Admissions and Continued Occupancy Policy (ACOP). SLHA's Deconcentration and Income Mixing Policy is included in Chapter 6 of the ACOP – Tenant Selection, Section 6.4.

Developments subject to the deconcentration of poverty and income mixing requirements are referred to as "covered" developments". Covered developments include general occupancy (or family) public housing developments.

Developments not subject to the requirement include public housing developments:

- with-fewer than 100 public housing units;
- designated specifically for elderly and/or disabled residents;
- approved for demolition or for conversion to tenant-based assistance; and
- approved mixed-finance developments using HOPE VI or public housing funds.

Table 2 - Average Income of Public Housing Developments includes a list of all SLHA developments, their annual income and if they are subject to the Deconcentration and Income Mixing Requirements.

SLHA will determine the average income of families in all covered developments on an annual basis. SLHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85 percent to 115 percent of the average family income. The results of SLHA's analysis are summarized on **Table 1 - Average Income of Families in All Covered Developments**.

If covered developments have an average income outside the EIR, SLHA will then determine whether or not these developments are consistent with its local goals and annual plan. If the development is not consistent with local goals and annual plan the SLHA may skip a family on the waiting list to reach another family in an effort that would further the goals of deconcentration.

Deconcentration of Poverty and Income Mixing
Table 1: Average Income of Families in Covered Developments

Development Name	Average Income	Average Income ALL Developments	% of Income	Established Income Range (85% - 115%)
James House	\$5,980	\$12,372	48%	Below
Euclid Plaza	\$6,415	\$12,372	52%	Below
Northside Scattered Sites	\$7,377	\$12,372	60%	Below
Southside Scattered Sites	\$8,475	\$12,372	69%	Below
Badenhaus/Badenfest	\$8,860	\$12,372	72%	Below
LaSalle Park	\$13,449	\$12,372	109%	Within
Kingsbury Terrace	\$10,486	\$12,372	85%	Within
ALL Covered Developments	\$9,045	\$12,372	73%	-

*Income Data as of January 21, 2026

Deconcentration of Poverty and Income Mixing
Table 2: Average Income of Public Housing Developments*

Dev. Number	Development Name		Count of Families	Average Income
020	Clinton-Peabody	Approved for Demolition	95	\$8,275.69
100	James House	Covered	114	\$5,979.76
132	Euclid Plaza	Covered	105	\$6,414.70
150	Towne XV (NSSF)	Covered	8	\$9,551.13
160	McMillan Manor (NSSF)	Covered	13	\$6,008.77
170	West Pine	< 100 Units	96	\$8,446.57
190	Parkview	Designated Elderly	199	\$10,637.34
220	Lafayette Apartments (SSSF)	Covered	27	\$9,143.26
230	California Gardens (SSSF)	Covered	2	\$11,958.00
260	Page Manor (NSSF)	Covered	1	\$0.00
280	Badenhaus Elderly (BH/BF)	Covered	94	\$8,069.80
340	LaSalle Park	Covered	143	\$13,449.21
350	Armand & Ohio (SSSF)	Covered	3	\$9,752.00
370	Cochran Plaza	<100 Units	61	\$10,738.66
380	Folsom (SSSF)	Covered	5	\$7,416.80
381	Samuel Shepard (NSSF)	Covered	6	\$7,666.00
382	Marie Fanger (SSSF)	Covered	4	\$15,973.00
383	Cupples (NSSF)	Covered	0	-
384	Hodiamont (NSSF)	Covered	0	-
390	Badenfest Elderly (BH/BF)	Covered	20	\$12,571.50
410	South Broadway (SSSF)	Covered	9	\$16,361.56
411	Walnut Park (NSSF)	Covered	11	\$10,546.27
412	Lookaway (NSSF)	Covered	12	\$4,558.17
420	Lafayette Townhomes (SSSF)	Covered	31	\$4,457.77
421	Tiffany Turnkey (SSSF)	Covered	23	\$8,760.43
440	Murphy Park I	Mixed Finance/HOPE VI	60	\$21,035.08
450	Murphy Park II	Mixed Finance/HOPE VI	50	\$18,889.16
460	Murphy Park III	Mixed Finance/HOPE VI	55	\$23,214.96
470	King Louis Square I	Mixed Finance/HOPE VI	38	\$18,854.95
480	Les Chateaux	Mixed Finance/HOPE VI	40	\$14,137.08
490	King Louis Square II	Mixed Finance/HOPE VI	46	\$25,573.63
500	Renaissance Place @ Grand I	Mixed Finance/HOPE VI	59	\$19,328.17
510	McMillan Manor II (NSSF)	Covered	10	\$7,872.20
520	King Louis Square III	Mixed Finance/HOPE VI	22	\$13,461.41
540	Sr. Living @ Renaissance Place	Mixed Finance/HOPE VI	72	\$12,996.17
550	Gardens at Renaissance Place	Mixed Finance/HOPE VI	21	\$9,785.76
560	Cahill House	Mixed Finance/HOPE VI	85	\$16,629.44
570	Renaissance Place @ Grand II	Mixed Finance/HOPE VI	35	\$10,780.03
580	Cambridge Heights	Mixed Finance/HOPE VI	17	\$20,386.35
590	Renaissance Place @ Grand III	Mixed Finance/HOPE VI	52	\$15,104.17
600	Cambridge Heights II	Mixed Finance/HOPE VI	19	\$23,648.05
620	Sr. Living @ Cambridge Heights	Mixed Finance/HOPE VI	71	\$14,081.24
630	Arlington Grove	Mixed Finance/HOPE VI	72	\$14,710.68
640	North Sarah	Mixed Finance/HOPE VI	53	\$12,444.89
650	North Sarah II	Mixed Finance/HOPE VI	36	\$11,559.14
660	North Sarah III	Mixed Finance/HOPE VI	34	\$9,318.71
661	Kingsbury Terrace	Covered	119	\$10,486.06
670	Preservation Square I	Mixed Finance/HOPE VI	19	\$11,771.16
Grand Total			2,167	\$12,372
All Covered Developments			760	\$9,045

Combined Developments				
NSSF	Northside Scattered Sites	Covered	61	\$7,377
SSSF	Southside Scattered Sites	Covered	81	\$8,475
BH/BF	Badenhaus/Badenfest	Covered	114	\$8,860

*Income Data as of January 21, 2026

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ATTACHMENT #11

Section B.2 (b) – New Activities

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Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (a)	Choice Neighborhood	Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Planning work completed for the redevelopment in FY2023 has indicated that a comprehensinsive funding mechanism like Choice is critical for the success of the redevelopment. SLHA will submit a competitive Choice Neighborhood grant application for Clinton-Peabody in the next funding round available.	MO001000002	281 units Public Housing	Timeline for activity: Projected start date of activity: 03/2024. Projected end date of activity: 12/2033.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (a)	Mixed-Finance	Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Community Engagement POAH was required to produce a Community Engagement Plan (CEP) to outline their community outreach efforts. POAH began engaging the community in January 2023 and has held monthly in-person community engagement planning meetings since. Residents have informed the Master Plan and have made significant contributions to the final layout. This plan was finalized in September 2023. POAH has also produced a website for the Clinton-Peabody redevelopment, posted flyers, knocked on doors, and made significant engagement efforts.	MO001000002	281 units Public Housing	Timeline for activity: Projected start date of activity: 01/2022. Projected end date of activity: 12/2033.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
		Funding Opportunities POAH resubmitted a Low Income Housing Tax Credit (LIHTC) application to the Missouri Housing Development Commission (MHDC) for the first phase of redevelopment in September 2024. The application was successful and MHDC awarded POAH tax credits for the first phase which will include 89 units. Of those, 44 will be replacement housing units for Clinton-Peabody residents. SLHA and POAH will continue to submit MHDC LIHTC applications for future rounds. SLHA will continue to pursue and support every reasonable funding source, including Choice Neighborhoods, available for the redevelopment of Clinton-Peabody.			
B.2 (b)	Disposition	Vaughn Family - Warehouse Facility SLHA will submit a Section 18 application to HUD requesting disposition of the property to help realign the SLHA portfolio to support/or create housing opportunities.	MO001000006	0	Timeline for activity: Projected start date of activity: 10/2025. Projected end date of activity 09/2028.
B.2 (b)	Disposition	Euclid Plaza Vacant Land SLHA will submit a Section 18 application to HUD requesting disposition of the property to help realign the SLHA portfolio to create additional housing opportunities.	MO001000013	0	Timeline for activity: Projected start date of activity: 10/2025 Projected end date of activity 09/2027.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Demolition/Disposition	Clinton-Peabody Revitalization The Physical Needs Assessment (PNA) finalized in 2022 shows a significant need for revitalization of the Clinton-Peabody Apartments development. The property will be revitalized through the use of a master developer, which will utilize demolition/disposition tools available through HUD. SLHA will submit a Section 18 demo/dispo to HUD through the RAD repositioning process.	MO001000002	281 units Public Housing Bedrooms: 1-Bedroom = 52 2-Bedroom = 158 3-Bedroom = 111 4-Bedroom = 4 5-Bedroom = 4	Timeline for activity: Projected start date of activity: 04/2022 Projected end date of activity 12/2030.
B.2 (b)	Demolition/Disposition	Hodiamont Disposition The PNA finalized in 2022 shows that the property would need \$4.6 million in renovation over 10 years to bring it up to standard. SLHA began the process of collecting the information necessary to submit a Section 18 application in February 2022. This included seeking a capital needs assessment and performing a site specific HUD environmental review. SLHA submitted a Section 18 application to HUD for the property in 2024 and is waiting for a determination by SAC. The property will be sold to a responsible owner committed to furthering SLHAs mission.	MO001000041	22 units Public Housing	Timeline for activity: Technical assistance start date: 02/2022. Projected end date of activity 09/2026.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Disposition/Partial Disposition	Cambridge Heights Vacant Land SLHA will submit a Section 18 disposition application to HUD for the property to request disposition from the ACC contract. SLHA may choose to lease the property for a use other than housing.	MO001000058/MO001000060	N/A	Timeline for activity: Projected start date of activity: 10/2025 Projected end date of activity 09/2028.
B.2 (b)	Disposition/Partial Disposition	Parkview Apartments - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Parkview Apartments as a Tier 1C property in need of repositioning. Predevelopment work on converting the property to RAD/Section 18 Blend (substantial rehab) or RAD began in 2024.	MO001000019	295 units Public Housing Bedrooms: 0-bedroom = 8 1-bedroom = 287	Timeline for activity: Start date of activity: 03/2024 Projected end date of activity 09/2027.
B.2 (b)	Partial Disposition	Lookaway Disposition The PNA finalized in 2022 show that these properties would need \$3.1 million in capital improvements over 10 years. SLHA will consider submitting to HUD an application requesting the conversion of single-family PH units to affordable home ownership opportunities.	MO001000041	17 units Public Housing	Timeline for activity: Projected start date of activity: 10/2023 Projected end date of activity 09/2028. Bedrooms: 4-bedroom = 17

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Disposition/Partial Disposition	California Gardens - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies California Gardens as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically concrete spalling, elevator reconstruction, and unit vacancy the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2026.	MO001000038	28 Units Public Housing Bedrooms: 1-bedroom = 28	Timeline for activity: Start date of activity: 02/2026 Projected end date of activity 09/2027.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	In 2022, HUD provided technical assistance through a firm with expertise on its asset repositioning plans. A draft report was presented to the SLHA Board of Commissioners at the January 2023 board meeting. The Asset Repositioning Strategy was approved by the Board of Commissioners on November 15, 2023 and will be used to guide future decisions on submitting RAD applications.	TO BE DETERMINED	TO BE DETERMINED	Timeline for activity: Projected start date of activity: 01/2022. Projected end date of activity: Ongoing.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	Parkview Apartments - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Parkview Apartments as a Tier 1C property in need of repositioning. Predevelopment work on converting the property to RAD began in 2025.	MO001000019	295 units Public Housing Bedrooms: 0-bedroom = 8 1-bedroom = 287	Timeline for activity: Start date of activity: 03/2025 Projected end date of activity 09/2028.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	LaSalle Park - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies LaSalle Park as a Tier 3 property in need of repositioning. If HUD allows, SLHA will submit a RAD application requesting conversion.	MO001000034	148 units Public Housing 2-Bedroom = 30 3-Bedroom = 79 4-Bedroom = 39	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2027.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	West Pine Apartments - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies West Pine Apartments as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD will begin in 2026.	MO001000017	99 Units Public Housing Bedrooms: 1-Bedroom = 99	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2029.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	King Louis Square - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies King Louis Square as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000047	36 Units Public Housing Bedrooms: 1-Bedroom = 8 2-Bedroom = 22 3-Bedroom = 4 4-Bedroom = 2	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	King Louis Square II - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies King Louis Square II as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000049	44 Units Public Housing Bedrooms: 1-Bedroom = 11 2-Bedroom = 20 3-Bedroom = 13	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	Murphy Park II & III - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Murphy Park II & III as a Tier 3 properties in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000045 & MO001000046	129 Units Public Housing Bedrooms: MPI 2-Bedroom = 27 3-Bedroom = 30 4-Bedroom = 7 MPPII 2-Bedroom = 25 3-Bedroom = 30 4-Bedroom = 5 5-Bedroom = 5	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	California Gardens - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies California Gardens as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically concrete spalling, elevator reconstruction, and unit vacancy the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2026.	MO001000038	28 Units Public Housing Bedrooms: 1-bedroom = 28	Timeline for activity: Start date of activity: 02/2026 Projected end date of activity 09/2027.
B.2 (e)	Homeownership	Near South Side La Saison Construction of 10 single-family homes in two Phases. Conversion of 10 lots to homeownership opportunities.		10	Vacant Lots: Actual start date of activity: 5/31/2016. Phase I - 5 homes constructed. Four of the 5 homes sold in 2022, the final home to be sold in 2023. Phase II - Expected to begin in 2025. The
B.2 (e)	Homeownership	Section 8 - Bridge to Homeownership Program		17	
B.2 (f)	Mainstream Voucher program	SLHA receives vouchers from HUD to assist near elderly and/or disabled families.			Allocated 87 Leased 69
B.2 (f)	Special Purpose: Housing Choice Voucher Program (VASH) voucher	SLHA continues to receive referrals from the Veteran's Administration for a Special-purpose voucher program under the Veterans Affairs Supportive Housing (VASH) program.			Allocated 305 Leased 261

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Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission	
B.2 (f)	Special Purpose: Emergency Housing Voucher	SLHA receives vouchers from HUD in order to assist individuals and families that are homeless or at risk of being homeless, fleeing, or attempting to flee, domestic violence.			Allocated 181	Leased 150
B.2 (f)	Project-based Vouchers	SLHA has 205 Project-based units. SLHA will explore issuing an RFP to increase the number of project-based vouchers in SLHAs Housing Choice Voucher program if funding is available.	Approved:			
				Blumeyer Elderly, L.P. (Sr. Living at Renaissance)		30
				Blumeyer II Associates (The Gardens @ Renaissance)		8
				Cambridge Seniors, L.P.		36
				Carr Square Tenant Corp.		77
				Hammond Apartments, L.P.		28
				Vaughn Elderly, L.P. (Cahill House)		26
				Total:		205
B.2 (f)	Special Purpose: Tenant Protection Voucher (TPV) program	SLHA receives Tenant Protection Vouchers (TPV) from HUD for special purposes				Leased 174
B.2 (f)	Project-Based Vouchers, Project-Based Rental Assistance, RAD and/or Section 18 (Proposed)	SLHA will convert some or all of its public housing portfolio to RAD and/or Section 18 Project-Based Vouchers (PBV) or Project -Based Rental Assistance (PBRA) (if in an Opportunity Zone)	Proposed	Development		Units
			MO001000002	Clinton-Peabody		281
			MO001000034	LaSalle Park		148
			MO001000037	Cochran Plaza		78
			MO001000038	Lafayette Apartments		26
			MO001000038	California Gardens		28
			MO001000038	Armand & Ohio		4
			MO001000038	Folsom		6
			MO001000038	Marie Fanger		6
			MO001000038	South Broadway		10
			MO001000038	Lafayette Townhomes		38
			MO001000038	Tiffany Turnkey		25
			MO001000041	Towne XV		8
			MO001000041	McMillan Manor		20

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Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
			MO001000041	Page Manor	10
			MO001000041	Samuel Shepard	16
			MO001000041	Cupples	4
			MO001000041	Walnut Park	13
			MO001000041	Lookaway	17
			MO001000041	McMillan Manor II	18
			MO001000052	King Louis III	24
			MO001000047	King Louis Square	36
			MO001000049	King Louis Square II	44
			MO001000044	Murphy Park I	93
			MO001000045	Murphy Park II	64
			MO001000046	Murphy Park III	65
			MO001000050	Ranaissance Pl @ Grand	62
			MO001000054	Sr. Living at Renaissance Pl	75
			MO001000055	Gardens at Renaissance Pl	22
			MO001000056	Cahill House	80
			MO001000057	Ranaissance Pl @ Grand II	36
			MO001000059	Renaissance Place @ Grand III	50
			MO001000062	Sr. Living at Cambridge Heights	75
			MO001000063	Arlington Grove	70
			MO001000064	North Sarah	59
			MO001000065	North Sarah II	46
			MO001000066	North Sarah III	35
			MO001000058	Cambridge Heights	46
			MO001000060	Cambridge Heights II	44
			MO001000010	James House	126
			MO001000013	Euclid Plaza Elderly	108
			MO001000017	West Pine	99
			MO001000019	Parkview Elderly	295
			MO001000028	Badenhaus Elderly	100
			MO001000028	Badenfest Elderly	21
			MO001000061	Kingsbury Terrace	120
			MO001000048	Les Chateauex	40

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Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
					Total 2691
B.2 (g)	Emergency Safety and Security Application	SLHA continues to apply for funds to address crime and drug-related activities that pose an increased threat to health and safety of residents. SLHA will continue submit a health and safety grant for safety improvements at developments throughout the SLHA portfolio.	MO001000099	PHA Wide	Emergency safety and security application submission anticipated 03/27/24. Timeline for activity: Projected start date of activity: 10/01/2025. Projected end date of activity: 09/30/2026.
B.2 (g)	Housing Related Hazards Capital Fund and Lead-Based Paint Capital Fund Grant	SLHA continues to apply for funds to address hazzards that may linger in its housing developments including reducing potentials for carbon monoxide poisoning through the application of electric appliances and ventilation fans. SLHA will submit a Housing Related Hazzards Capital Fund grant for PHA Wide units.	MO001000099	PHA Wide	Housing Related Hazards Capital Fund and Lead-Based Paint Capital Fund Grant application anticipated to be submitted in April 2026. Timeline for activity: Actual start date of activity: 10/01/2025. Projected end date of activity: 09/30/2026.

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Section B.2 (b) – New Activities

Item 11 – Units with Approved Vacancies for Modernization

Clinton-Peabody, AMP MO001000002, in anticipation of the redevelopment of Clinton-Peabody, the St. Louis Housing Authority (SLHA) has obtained HUD approval for 184 units to be placed into modernization status in IMS/PIC system.

Parkview Apartments, AMP MO001000019, will undergo comprehensive modernization of 8 units for heavy repairs. Additionally, 2 units will require heavy repairs due to catastrophic fires and 1 unit has been approved for use as a doctor's office. The St. Louis Housing Authority (SLHA) has obtained HUD approval 79 units to be placed into modernization status, 2 units into Casualty Loss and 1 unit into Special Use-Other Resident Activities in IMS/PIC system.

Cochran Plaza, AMP MO001000037, will undergo comprehensive modernization of 16 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 16 units to be placed into modernization status in IMS/PIC system.

Southside Scattered Sites – Lafayette Townhomes, AMP MO001000038, will undergo comprehensive modernization of 3 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 3 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – Hodiamont, AMP MO001000041, will undergo an asset repositioning strategy for the property. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 22 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – Lookaway, AMP MO001000041, will undergo comprehensive modernization of 5 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 5 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – McMillan Manor I, AMP MO001000041, will undergo comprehensive modernization of 6 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 6 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – McMillan Manor II, AMP MO001000041, will undergo comprehensive modernization of 6 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 6 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – Page Manor, AMP MO001000041, will undergo comprehensive modernization of 9 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 9 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – Samuel Shepard, AMP MO001000041, will undergo comprehensive modernization of 10 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 10 units to be placed into modernization status in IMS/PIC system.

Northside Scattered Sites – Walnut Park, AMP MO001000041, will undergo comprehensive modernization of 2 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 2 units to be placed into modernization status in IMS/PIC system.

Murphy Park, AMP MO001000044, will undergo comprehensive modernization of 24 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 24 units to be placed into modernization status in IMS/PIC system.

Murphy Park II, AMP MO001000045, will undergo comprehensive modernization of 13 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 13 units to be placed into modernization status in IMS/PIC system.

Murphy Park III, AMP MO001000046, will undergo comprehensive modernization of 2 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 2 units to be placed into modernization status in IMS/PIC system.

King Louis III, AMP MO001000052, will undergo comprehensive modernization of 2 units for water damage repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 2 units to be placed into modernization status in IMS/PIC system.

Renaissance Place @ Grand II, AMP MO001000057, will undergo comprehensive modernization of 2 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 2 units to be placed into modernization status in IMS/PIC system.

Cambridge Heights, AMP MO001000058, will undergo modernization for 29 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 23 units to be placed into modernization status in IMS/PIC system.

Cambridge Heights II, AMP MO001000060, will undergo modernization for 20 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 20 units to be placed into modernization status in IMS/PIC system.

North Sarah, AMP MO001000064, will undergo comprehensive modernization of 3 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 3 units to be placed into modernization status in IMS/PIC system.

North Sarah, AMP MO001000065, will undergo comprehensive modernization of 4 units for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 4 units to be placed into modernization status in IMS/PIC system.

North Sarah, AMP MO001000066, will undergo comprehensive modernization of 1 unit for heavy repairs. The St. Louis Housing Authority (SLHA) has obtained HUD approval for 1 unit to be placed into modernization status in IMS/PIC system.

ATTACHMENT #13

Section B.3 – Progress Report

Status of Goals and Objectives

In 2020, the St. Louis Housing Authority (SLHA) adopted a Five-Year Strategic Plan (2020–2025) that established core priorities to guide its mission of delivering quality housing and expanding opportunity for the residents it serves. A comprehensive review of the Strategic Plan Goal Tracker demonstrates that SLHA made significant progress across all priority areas, with many initiatives completed and others substantially advanced. Key progress is summarized below:

- **Support Safe and Secure Environments for Residents and Staff**
SLHA strengthened inspection protocols, improved maintenance response times, and advanced compliance with HUD standards, including NSPIRE requirements, resulting in improved unit conditions and more consistent property performance.
- **Reposition, Redevelop, and Create New Properties**
The agency advanced its repositioning strategy through RAD planning and mixed-finance redevelopment efforts to address aging infrastructure, preserve affordability, and leverage additional capital sources.
- **Strengthen Monitoring and Oversight of Property Management Companies**
SLHA implemented enhanced performance monitoring systems, standardized reporting, and increased accountability measures to improve third-party property management outcomes.
- **Plan and Implement Redevelopment of Clinton-Peabody**
SLHA advanced planning and early implementation efforts, including resident engagement, master planning, and coordination with development partners to support long-term neighborhood revitalization.
- **Expand Housing Opportunities within the Housing Choice Voucher (HCV) Program**
SLHA increased voucher utilization through landlord engagement, improved leasing outcomes, and continued evaluation of payment standards and mobility strategies to expand access to higher-opportunity areas.
- **Expand and Diversify Funding and Partnerships**
The agency strengthened partnerships and pursued additional funding opportunities to support housing stability, redevelopment, and resident-focused initiatives.
- **Optimize Internal Operations**
SLHA improved internal processes through standardization, technology enhancements, and staff development, resulting in increased operational efficiency and compliance.

- **Promote and Maintain Positive Community Identity and Relationships**
SLHA enhanced communication strategies, strengthened stakeholder relationships, and expanded community engagement efforts to build trust and transparency.
- **Improve Quality of Life Through Services and Programs**
SLHA expanded resident services, including initiatives focused on workforce development, self-sufficiency, and pathways to homeownership, aligning housing assistance with broader economic mobility outcomes.

Overall, SLHA has made meaningful progress in achieving its strategic goals, establishing a strong operational and programmatic foundation. Initiatives that remained in progress at the close of the plan period—primarily long-term or multi-phase efforts—have been carried forward and aligned with SLHA’s next phase of strategic work.

As the 2020–2025 Strategic Plan period concludes, SLHA has formally adopted and received Board approval for its 2030 Strategic Plan, which establishes the agency’s forward-looking priorities and directly informs the goals and objectives outlined in this Annual Plan. The 2030 Strategic Plan builds on prior progress while aligning with HUD priorities and evolving local housing needs, with a focus on:

- Preservation and transformation of housing assets, including continued repositioning through RAD and mixed-finance strategies
- Expansion of housing choice and access to high-opportunity areas through enhanced HCV program effectiveness
- Pathways to homeownership and economic mobility through targeted programs and partnerships
- Strengthened partnerships and leveraged funding to expand impact and resource availability
- Operational excellence and accountability through continued process improvement and performance management
- Enhanced resident services that support long-term stability and self-sufficiency

These priorities are directly reflected in the goals and objectives presented in this Annual Plan, ensuring clear alignment between SLHA’s long-term strategic vision and its near-term implementation activities. With the 2030 Strategic Plan in place, SLHA is well-positioned to build on its progress and deliver measurable outcomes that advance housing stability, resident success, and community impact.

nei	Level	Goal/Objective/Action	Responsible Unit/ Person	Target Start Date	Target End Date	Percent Complete	Status
1	Goal	Support safe and secure environments for SLHA's residents and staff				71%	
1.1	STR	Develop Standardized Safety Plan for all properties and sites	Asset Management	October 1, 2021	December 31, 2024	48%	
1.1.1	ACT	Assess current safety practices and informal safety plans at developments	Asset Management	October 1, 2021	June 30, 2023	100%	Complete
1.1.2	ACT	Review existing policies regarding access to SLHA properties and update as needed; develop a formal plan if unavailable	Asset Management	October 1, 2021	June 30, 2023	70%	Underway
1.1.3	ACT	With assistance of the property management companies, draft and implement a standardized safety plan using a Trauma Informed lens	Asset Management	October 1, 2021	June 30, 2023	50%	On-going
1.1.4	1.1.5	Create and utilize a checklist to use to monitor property management companies to ensure adherence to safety plans and the maintenance of a safe and secure property	Asset Management	October 1, 2021	June 30, 2023	10%	Not Started
1.1.5	ACT	With assistance of property management companies, create emergency management plans for each development, creating signage of evacuation plans if unavailable	Asset Management	October 1, 2021	June 30, 2023	50%	On-going
1.1.6	ACT	Conduct preparedness exercises at all public housing developments (Active shooter, fire, earthquake, tornado, etc)	Asset Management	October 1, 2021	June 30, 2023	10%	Underway
1.2	STR	Work collaboratively with residents, neighbors and the Police Department to foster safe and secure environments	Asset Management	May 1, 2021	December 31, 2024	70%	
1.2.1	ACT	On a quarterly basis, request police department to attend resident meetings	Asset Management	July 1, 2021	December 31, 2024	100%	Complete
1.2.2	ACT	Annually, request that the Fire Department attend resident meetings to address fire safety	Asset Management	July 1, 2021	December 31, 2024	10%	Underway
1.2.3	ACT	With the assistance of the SLMPD, implement a strategy for community policing in public housing	Executive	May 1, 2021	December 31, 2024	100%	Complete
1.2.4	ACT	Annually, attend neighborhood meetings in neighborhoods with 50+ public housing units to foster relationships	Asset Management	July 1, 2021	December 31, 2024	70%	Underway
1.3	STR	Identify and address environmental hazards to promote healthy homes	Asset Management, HCV	January 1, 2020	December 31, 2024	93%	
1.3.1	ACT	Monitor property management companies to ensure that annual inspections occur in a timely manner and that issues identified are addressed	Asset Management	January 1, 2021	December 31, 2024	70%	On-going
1.3.2	ACT	Request copies of Pre-REAC inspections completed by property management companies and monitor for health and safety deficiencies; follow up as needed	Asset Management	January 1, 2021	December 31, 2024	100%	Complete
1.3.3	ACT	Create checklist to use and spot check public housing inspections to ensure timely and proper completion	Asset Management	January 1, 2021	December 31, 2024	100%	Complete
1.3.4	ACT	Complete HCV Inspections, including quality control inspections, in a timely manner; require landlords to complete necessary repairs in a timely manner.	HCV	January 1, 2020	December 31, 2024	100%	Complete
1.4	STR	Create a safety plan for SLHA central office	Executive	April 1, 2021	December 31, 2024	75%	
1.4.1	ACT	Assess current safety practices and informal safety plans	Executive	April 1, 2021	December 31, 2023	100%	Complete
1.4.2	ACT	Review existing policies regarding access to SLHA central office and update as needed; develop a formal safety plan if unavailable	Executive	April 1, 2021	December 31, 2023	50%	Underway
1.4.3	ACT	Create emergency management plan, creating signage of evacuation plans if unavailable	Development & Modernization	August 30, 2021	December 30, 2022	100%	Complete
1.4.4	ACT	Conduct preparedness exercises (active shooter, fire, earthquake, tornado, etc)	Development & Modernization	June 30, 2022	December 31, 2024	50%	Not started
2	Goal	Support safe and secure environments for SLHA's residents and staff				78%	
2.1	STR	Update Capital and Property Portfolio Plans	Executive, Development & Modernization	September 20, 2020	February 22, 2022	86%	
2.1.1	ACT	Perform Physical Needs Assessment of properties	Development & Modernization	April 1, 2021	March 31, 2022	100%	Complete
2.1.2	ACT	Perform Asset repositioning exercise to create portfolio plan; considering Demo/disposition, RAD, Section 8 conversion, etc.	Executive, Development & Modernization	October 1, 2021	December 31, 2023	100%	Complete
2.1.3	ACT	Perform Environmental Review	Development & Modernization	September 1, 2020	June 30, 2023	100%	Complete
2.1.4	ACT	Explore non-traditional financing tools (bonds, tax credits, opportunity zones, refinancing, etc.) for top priority properties within Portfolio Plan	Development & Modernization	November 1, 2021	December 31, 2024	100%	Complete
2.1.5	ACT	Identify and leverage underutilized assets to generate revenue	Executive, Development & Modernization	December 1, 2021	October 31, 2023	30%	Underway

2.2	STR	Communicate benefits and program changes of new housing programs (i.e. RAD) to internal and external stakeholders	Development & Modernization	January 13, 2022	April 11, 2023	100%	
2.2.1	ACT	Develop talking points, PR/campaign materials for the new programs being adopted across portfolio (internal and external stakeholders)	Development & Modernization	January 13, 2022	April 30, 2023	100%	Complete
2.2.2	ACT	Schedule meetings with different stakeholder groups (staff, TAB, general public mtgs, etc.)	Development & Modernization	March 25, 2022	April 30, 2023	100%	Complete
2.2.3	ACT	Develop online content (website, social media) to communicate new program info, FAQs, etc.	Development & Modernization	January 13, 2022	April 30, 2023	100%	Complete
2.3	STR	Implement Portfolio Plan	Executive, Development & Modernization	April 5, 2022	July 22, 2023	83%	
2.3.1	ACT	Identify and secure financing to complete redevelopment of Clinton-Peabody (see Goal 4)	Executive, Development & Modernization	April 5, 2022	December 31, 2023	50%	Underway
2.3.2	ACT	Develop procurement solicitation (RFP/RFQ) for development assistance	Development & Modernization	May 5, 2022	July 5, 2024	100%	Complete
2.3.3	ACT	Implement development plan in accordance with scope of work outlined in the RFP/RFQ/contract	Development & Modernization	July 5, 2022	July 22, 2024	100%	Complete
2.4	STR	Pursue development opportunities (new)	Executive, Development & Modernization	April 1, 2021	December 31, 2024	43%	
2.4.1	ACT	Ensure spending of replacement housing funds by regulatory deadline (some funds may be used for Clinton-Peabody - refer to Goal 4)	Development & Modernization	April 1, 2021	May 31, 2023	100%	Complete
2.4.2	ACT	Identify sites for potential new development	Executive, Development & Modernization	May 1, 2021	December 31, 2024	10%	Underway
2.4.3	ACT	Develop procurement solicitation (RFP/RFQ) for development assistance	Development & Modernization	June 1, 2021	December 31, 2024	30%	Underway
2.4.4	ACT	Implement development plan in accordance with scope of work outlined in the RFP/RFQ/contract	Development & Modernization	July 12, 2021	December 31, 2024	30%	Underway
3	Goal	Strengthen monitoring and oversight of Property Management companies					
3.1	STR	Strengthen contract compliance monitoring and enforcement and revise contract language	Asset Management	January 1, 2021	December 31, 2024	100%	
3.1.1	ACT	Strengthen contract compliance monitoring and enforcement and revise contract language	Asset Management	January 1, 2021	December 1, 2021	100%	Complete
3.1.2	ACT	Monitor the performance metrics and baseline measures by inspecting the properties at least annually, reviewing monthly reports submitted by property managers, and meeting with the property management companies monthly.	Asset Management	February 1, 2021	December 31, 2024	100%	Complete
3.1.3	3.1.4	Enforce compliance with contract requirements, requiring corrective action plans as needed.	Asset Management	January 1, 2021	December 31, 2024	100%	Complete
3.2	STR	Create and enforce standards of professionalism and customer service across all properties	Asset Management	October 1, 2021	December 31, 2024	85%	
3.2.1	ACT	Convene two meetings with property management companies to mutually agree on a standard code of conduct and dress code for employees at public housing developments.	Asset Management	October 1, 2021	June 30, 2023	80%	Underway
3.2.2	ACT	Utilizing information from meetings, develop standard code of conduct and dress code for property management staff.	Asset Management	October 1, 2021	June 30, 2023	80%	Underway
3.2.3	ACT	Annually, conduct customer service/professionalism training for property management companies.	Asset Management	October 1, 2021	December 31, 2024	100%	Complete
3.2.4	ACT	Monitor property management companies for adherence to the code of conduct and dress code.	Asset Management	October 21, 2021	December 31, 2024	80%	Underway
4	Goal	Plan and implement redevelopment of Clinton-Peabody				92%	
4.1	STR	Continue to implement actions agreed upon in Consent Agreement	Legal	January 1, 2020	December 31, 2022	100%	Complete
4.1.1	ACT	Refer to consent agreement and implement	Legal	January 1, 2020	December 31, 2022	100%	Complete
4.2	STR	Identify Master Developer to identify financing to complete redevelopment of Clinton-Peabody	Executive, Development & Modernization	April 5, 2022	December 31, 2023	100%	Complete
4.2.1	ACT	Solicit for Master Developer to determine type of project and financing	Development & Modernization	April 5, 2022	December 31, 2022	100%	Complete

4.2.2	ACT	Analysis and determination of viable project and financing	Development & Modernization	June 5, 2022	September 30, 2023	100%	Complete
4.3	STR	Provide clear communication in transparent manner to residents and the community	Development & Modernization	June 5, 2022	December 31, 2025	100%	Complete
4.3.1	ACT	Support existing residents during redevelopment and construction activities	Development & Modernization	June 5, 2022	December 31, 2025	100%	Complete
4.4	STR	Develop and Implement plan to redevelop Clinton-Peabody	Development & Modernization	February 23, 2022	December 31, 2026	87%	Complete
4.4.1		See 4.3.1	Development & Modernization	February 23, 2022	December 31, 2025	100%	Complete
4.4.2	ACT	Hire 3rd party developer to implement development plan	Executive, Development & Modernization	February 28, 2022	April 30, 2023	100%	Complete
4.4.3	ACT	Analysis of viable development and funding options from 4.2.1	Development & Modernization	July 31, 2022	April 1, 2023	100%	Complete
4.4.4	ACT	Create development plan and schedule	Development & Modernization	July 31, 2022	April 1, 2023	100%	Complete
4.4.5	ACT	Implement development plan and schedule	Development & Modernization	January 23, 2023	April 1, 2023	100%	Complete
4.4.6	ACT	Concept, Pre-Development	Development & Modernization	July 1, 2022	June 30, 2023	100%	Complete
4.4.7	ACT	Environmental Assessment, Review	Development & Modernization	July 31, 2022	June 30, 2023	100%	Complete
4.4.8	ACT	Initiate Public Engagement	Development & Modernization	July 31, 2022	December 31, 2024	100%	Complete
4.4.9	ACT	Tax Credit Applications, Abatement, Zoning, Utility	Development & Modernization	July 31, 2022	December 31, 2024	100%	Complete
4.4.10	ACT	HUD Development Proposal, Evidentiaries, Closing	Development & Modernization	July 31, 2022	December 31, 2024	100%	Complete
4.4.11	ACT	Construction-Site Prep, Housing & Public Improvements	Development & Modernization	July 31, 2022	December 31, 2024	100%	Complete
4.4.12	ACT	Construction	Development & Modernization	July 31, 2022	December 31, 2024	30%	Underway
4.4.13	ACT	Lease-Up and Development Close-Out	Development & Modernization	July 31, 2022	December 31, 2024	0%	Not started
4.5	STR	Ensure safe and secure environments for Clinton-Peabody residents and staff (see Goal 1)	Asset Management			71%	0
5	Goal	Expand housing opportunities within the Housing Choice Voucher program				97%	
5.1	STR	Improve relations with HCV participants and property owners	HCV	June 1, 2022	December 31, 2024	88%	
5.1.1	ACT	Create and Implement Customer Service Plan for HCV participants	HCV	June 1, 2022	December 31, 2023	50%	Underway
5.1.2	ACT	Update the resident and landlord information packets	HCV	June 1, 2022	June 1, 2023	100%	Complete
5.1.3	ACT	Annually, issue landlord satisfaction survey to identify program strengths and weaknesses	HCV	June 1, 2022	December 31, 2024	100%	Complete
5.1.4	ACT	Annually, issue resident satisfaction survey to identify program strengths and weaknesses	HCV	June 1, 2022	December 31, 2024	100%	Complete
5.2	STR	Increase number of vouchers	HCV	January 1, 2020	December 31, 2024	100%	
5.2.1	ACT	Monitor NOFAs for vouchers	HCV	January 1, 2020	December 31, 2024	100%	Complete
5.2.2	ACT	Apply for grants	HCV	January 1, 2020	December 31, 2024	100%	Complete
5.2.3	ACT	Implement if awarded	HCV	January 1, 2020	December 31, 2024	100%	Complete
5.3	STR	Provide mobility support to households that seek to live in areas of opportunity	HCV	October 1, 2019	September 30, 2024	100%	
5.3.1	ACT	Introduce HCV participants to Mobility Counseling program at recertification; enroll participants	HCV	January 1, 2020	January 1, 2024	100%	Complete
5.3.2	ACT	Provide pre/post move counseling	HCV	October 1, 2019	September 30, 2024	100%	Complete

5.3.3	ACT	Property owner outreach	HCV	October 1, 2019	September 30, 2024	100%	Complete
5.3.4	ACT	Continue to have competitive payment standards	HCV	January 1, 2020	January 1, 2024	100%	Complete
5.4	STR	Increase number of participating landlords with emphasis in areas of opportunity	HCV	October 1, 2022	September 30, 2023	100%	
5.4.1	ACT	Develop a marketing plan	HCV & Marketing	October 1, 2022	January 31, 2024	100%	Complete
5.4.2	ACT	Approve marketing plan	HCV & Marketing	January 1, 2023	June 30, 2024	100%	Complete
5.4.3	ACT	Implement marketing plan	HCV & Marketing	February 1, 2023	September 30, 2024	100%	Complete
6	Goal	Expand and diversify funding and partnerships				60%	
6.1	STR	Expand resources for resident services	Resident Initiatives	October 1, 2019	December 31, 2024	100%	
6.1.1	ACT	Consider submitting application for Al Chapelle Center to achieve designation as Envision Center from HUD	Executive	September 1, 2022	December 31, 2024	100%	Complete
6.1.2	ACT	Apply for volunteer resource from AmeriCorps and other Federal programs including Volunteer Students from local Universities.	Resident Initiatives	Summer 2021	Summer 2024	100%	Complete
6.1.3	ACT	Submit application for NOFA Mobility Program	Ascend	Spring/Summer 2020	Fall 2020	100%	Complete
6.1.4	ACT	Leverage ConnectHome USA program to expand internet access to residents through external partnerships	IT	October 1, 2019	September 30, 2023	100%	Complete
6.2	STR	Explore creating "grant writing" position	Executive	October 1, 2021	September 1, 2022	10%	
6.2.1	ACT	Identify funding options for this position	Executive	March 1, 2022	December 31, 2023	10%	Underway
6.2.2	ACT	Conduct benchmarking on how other PHAs seek grant funding	Executive	October 1, 2021	December 31, 2023	20%	Underway
6.2.3	ACT	Develop grant writing job description	HR	April 1, 2022	December 31, 2023	0%	Not Started
6.3	STR	Expand resources for housing opportunities	Executive	September 1, 2021	October 1, 2023	50%	
6.3.1	ACT	Explore non-traditional financing tools (bonds, tax credits, opportunity zones, etc.) - see Goal 2	Executive	September 1, 2021	December 31, 2023	50%	Underway
6.3.2	ACT	Apply for non-traditional financing tools	Executive	October 1, 2022	October 1, 2023	50%	Underway
6.4	STR	Attract resources from the philanthropic, local, civic and business community with specific requests	Executive	October 1, 2020	September 1, 2024	92%	
6.4.1	ACT	Direct funding raised via 80th Anniversary event to resident related activities	Executive	January 1, 2021	December 31, 2023	100%	Complete
6.4.2	ACT	Create ConnectHome partnerships with partner organizations	Executive, IT	January 9, 2020	September 30, 2023	100%	Complete
6.4.3	ACT	Leverage resources from Program Coordinating Committee within Resident Initiatives	Resident Initiatives	October 1, 2020	December 31, 2024	100%	Complete
6.4.4	ACT	Develop MOUs with partner agencies	Resident Initiatives	December 1, 2020	December 31, 2024	100%	Complete
6.4.5	ACT	Use calendar, key milestones, and funding requirements for the priority foundations in region	Executive	October 1, 2021	September 30, 2024	50%	Not Started
6.4.6	ACT	Identify grant/funding opportunities for youth services	Resident Initiatives	October 1, 2021	September 30, 2024	100%	Complete
6.5	STR	Leverage instrumentalities to generate additional resources to support the authority's mission	Executive	January 1, 2020	September 30, 2024	50%	
6.5.1	ACT	Create earned income/non-federal income through repurposing existing assets	Executive	September 1, 2021	September 30, 2024	50%	Underway
6.5.2	6.5.3	Analyze existing instrumentality/affiliate structure and determine optimal structure	Executive	January 1, 2020	December 31, 2024	50%	Underway
7	Goal	Optimize internal operations				63%	
7.1	STR	Leverage technology for efficiencies and improved performance	IT	January 1, 2020	December 31, 2024	77%	
7.1.1	ACT	Complete implementation of Yardi Phase 1 (internal)	IT	January 1, 2020	April 30, 2023	100%	Complete
7.1.2	ACT	Launch RentCafe module and marketing programs for Owners, Participants and Residents	IT, HCV & PHA	January 1, 2020	April 30, 2023	80%	Underway
7.1.3	ACT	Explore purchase order workflows and implement if feasible	IT	April 1, 2021	December 31, 2023	80%	Underway
7.1.4	ACT	Plan for implementation of additional Yardi modules that were purchased (e.g. Budget, Construction, online rent payments, etc.)	IT	July 1, 2021	June 30, 2023	0%	Not Started
7.1.5	ACT	Provide training to staff to better protect sensitive and confidential information from cyber risks	IT	January 1, 2020	December 31, 2024	100%	Complete
7.1.6	ACT	Further virtualize the IT server environment to eliminate the need for physical hardware.	IT	January 1, 2020	December 31, 2024	80%	Underway
7.1.7	ACT	Update and better utilize Microsoft 365 tools, such as SharePoint and Teams	Everyone	March 15, 2020	December 31, 2024	100%	Complete
7.2	STR	Optimize processes, procedures and controls	Executive	January 1, 2020	December 31, 2022	57%	

7.2.1	ACT	Review existing procedures, manuals, policies, etc. to identify areas where updates are needed or gaps exist	Executive	January 1, 2020	December 31, 2022	100%	Complete
7.2.2	ACT	Update and create policies/procedures/etc. within team/department with agency-wide standards	Executive	January 1, 2021	December 31, 2023	70%	Underway
7.2.3	ACT	Create Business Continuity Plan to ensure critical processes continue in the event of a disruption.	Executive	March 15, 2020	September 30, 2023	100%	Underway
7.2.4	ACT	Update Personnel policy	HR	May 21, 2021	September 30, 2023	60%	Underway
7.2.5	ACT	Compile key procedures into an SLHA Standard Operating Procedure	Executive	December 31, 2021	June 30, 2024	10%	Underway
7.2.6	ACT	Create a maintenance framework to ensure that all SLHA plans remain current and applicable	Executive	December 31, 2021	December 31, 2024	0%	Not Started
7.3	STR	Retain and attract talent	HR	March 1, 2022	December 31, 2022	5%	
7.3.1	ACT	Perform compensation and benefits study; request recommendations	HR	March 1, 2022	December 31, 2023	10%	Not Started
7.3.2	ACT	Update Succession Plan to identify next generation of SLHA leaders	HR	March 1, 2022	December 31, 2023	0%	Not Started
7.4	STR	Provide training and professional development opportunities to staff	HR	April 1, 2021	December 31, 2024	67%	
7.4.1	ACT	Identify agency-wide training needs - required training AND "soft skills" (including training on processes); implement as needed	HR	June 1, 2021	December 31, 2024	100%	Complete
7.4.2	ACT	Create and implement framework for Personalized Development/Growth Plans for all SLHA staff	HR	April 1, 2021	December 31, 2023	0%	Not Started
7.4.3	ACT	Conduct annual staff retreat or "in-service".	HR	April 1, 2021	December 31, 2024	100%	Complete
7.5	STR	Maintain HCV High Performer status	HCV	February 24, 2020	December 31, 2024	75%	
7.5.1	ACT	Hold monthly SEMAP meetings to identify status and deficiencies	Internal Auditor, HCV	June 1, 2021	December 31, 2024	100%	Complete
u	ACT	Conduct bi-annual compliance/file reviews of HCV files; report findings to Executive Director	Operations	June 1, 2021	December 31, 2024	70%	Underway
7.5.3	ACT	Hold annual debriefing after SEMAP submission, identifying areas of improvement	Operations	October 15, 2020	December 31, 2024	80%	Underway
7.5.4	ACT	Streamline and simplify forms and documents used by HCV participants and owners	Operations	February 24, 2020	April 30, 2023	50%	Underway
7.6	STR	Recapture PH High Performer status	Asset Management	January 1, 2020	December 31, 2024	95%	
7.6.1	ACT	Hold monthly PHAS indicators meetings to identify status and deficiencies	Asset Management	January 1, 2020	December 31, 2024	100%	On-going
7.6.2	ACT	Conduct bi-annual Public Housing files; report findings to Executive Director	Operations	June 1, 2020	December 31, 2024	80%	On-going
7.6.3	ACT	Hold annual debriefing after PHAS submission, identifying areas of improvement	Operations	October 15, 2020	December 31, 2024	100%	On-going
7.6.4	ACT	Streamline and simplify forms and documents used by public housing residents and property management companies	Asset Management	December 1, 2021	December 31, 2024	100%	Underway
8	Goal	Promote and maintain positive community identity and relationships				70%	
8.1	STR	Create PH Resident Engagement Plan	Resident Initiatives	August 1, 2020	December 31, 2024	63%	
8.1.1	ACT	Research and Identify best practices for resident engagement	Resident Initiatives	July 1, 2021	December 31, 2024	100%	Underway
8.1.2	8.1.3	Convene meeting of residents to obtain feedback (e.g. TAB, resident commissioners)	Resident Initiatives	December 1, 2021	December 31, 2023	100%	Underway
8.1.3	ACT	Create draft Engagement Plan	Marketing	August 31, 2022	December 31, 2023	50%	Underway
8.1.4	ACT	Submit draft Plan for comment and update as appropriate (Board meeting packet)	Executive	November 1, 2022	June 30, 2024	0%	Not Started
8.2	STR	Create HCV Participant/Landlord Engagement Plan	Marketing & HCV	August 1, 2021	December 31, 2022	60%	
8.2.1	ACT	Research and Identify best practices for HCV participant and Landlord engagement	Marketing & HCV	August 1, 2021	December 31, 2023	100%	Complete
8.2.2	ACT	Convene meeting of HCV participants to obtain feedback	HCV	August 1, 2022	December 31, 2023	100%	Complete
8.2.3	ACT	Convene meeting of Landlord to obtain feedback	HCV	August 1, 2022	December 31, 2023	100%	Complete
8.2.4	ACT	Create draft Engagement Plan	Marketing	August 1, 2021	June 30, 2024	0%	Not Started
8.2.5	ACT	Submit draft Plan for comment and update as appropriate (Board meeting packet)	Executive	November 1, 2022	June 30, 2024	0%	Not Started
8.3	STR	Strengthen relationships with the community and civic organizations	Executive	March 1, 2020	December 31, 2024	84%	
8.3.1	ACT	Identify civic/community groups with shared interest	Executive	March 1, 2020	December 31, 2024	100%	Complete
8.3.2	ACT	Prioritize and determine appropriate SLHA person(s) to engage the civic/community group (existing relationships, interest or passion in that area, etc.)	Executive	March 1, 2020	December 31, 2024	100%	Complete
8.3.3	ACT	Develop one-pager or other PR materials that highlights SLHA's role in community and potential partnership opportunities	Marketing	September 1, 2021	December 31, 2023	60%	Underway

8.3.4	ACT	Seek to formalize partnership through standardized MOU process or other arrangements as necessary	Resident Initiatives	August 15, 2020	December 31, 2024	100%	Complete
	ACT	Develop internal standards and protocols for managing relationships with partners (e.g. point of contact, frequency of outreach, type of outreach, etc.)	Resident Initiatives	July 1, 2020	December 31, 2024	60%	Underway
8.4	STR	Utilize website and social media more effectively to communicate with stakeholders	Marketing	January 1, 2020	December 31, 2024	78%	
8.4.1	ACT	Post to social media updates on SLHA programs, events, success stories, etc.	Marketing	January 1, 2020	December 31, 2024	100%	Complete
8.4.2	ACT	Continue development of relevant website content to increase awareness of SLHA activities	Marketing	January 1, 2020	December 31, 2024	100%	Complete
8.4.3	ACT	Develop internal guidelines for sharing content across digital platforms	Marketing	June 1, 2021	December 31, 2023	10%	Underway
8.4.4	8.4.5	Connect social media feeds to SLHA website (you can see social media posts on site)	Marketing	June 1, 2021	September 30, 2023	100%	Complete
8.5	STR	Create Transparency Plan that provides guidance to public on SLHA communication practices	Executive	July 1, 2021	June 1, 2022	5%	
8.5.1	ACT	Research and Identify best practices on communication transparency between agencies and the public	Executive	July 1, 2021	December 31, 2023	20%	On-going
8.5.2	8.5.3	Convene meeting of residents to obtain feedback (e.g. TAB, resident commissioners)	Executive	January 30, 2022	March 31, 2024	0%	Not Started
8.5.3	ACT	Create draft communication transparency plan	Executive	March 1, 2022	June 30, 2024	0%	Not Started
8.5.4	ACT	Submit draft Plan for comment and update as appropriate (Board meeting packet)	Executive	June 1, 2022	December 31, 2024	0%	Not Started
8.6	STR	Update communications plan to include crisis communication	Marketing	July 1, 2020	September 30, 2023	100%	Complete
8.6.1	ACT	Research and identify best practices for crisis communications	Marketing	July 1, 2020	August 15, 2020	100%	Complete
8.6.2	ACT	Create draft communications plan with crisis communication component	Marketing	December 31, 2021	March 1, 2022	100%	Complete
8.6.3	ACT	Submit draft Plan for comment and update as appropriate (Board meeting packet)	Executive	March 1, 2022	April 1, 2022	100%	Complete
8.7	STR	Streamline and simplify forms and documents used by residents, HCV participants and landlords	Asset Management, HCV	July 1, 2021	December 31, 2022	100%	
8.7.1	ACT	Edit and submit digital files for current forms in use to Marketing for updating	Asset Management, HCV	July 1, 2021	December 31, 2023	100%	Complete
8.7.2	ACT	Forms to be re-designed and reviewed for approval	Marketing, Legal, Executive	July 1, 2021	March 31, 2024	100%	Complete
8.7.3	ACT	Approved forms distributed and linked to website	Marketing	July 1, 2021	March 10, 2024	100%	Complete
8.8	STR	Develop relationships within affordable housing industry to share knowledge and best practices	Everyone	January 1, 2020	December 31, 2024	50%	
8.8.1	ACT	Attend local, regional and national convenings/conferences	Everyone	January 1, 2020	December 31, 2024	100%	Complete
8.8.2	ACT	Serve on national committees and boards related to affordable housing	Executive	January 1, 2022	December 31, 2024	0%	Not Started
8.9	STR	Strengthen internal communication	Everyone	June 1, 2021	December 31, 2024	60%	Underway
8.9.1	ACT	Issue quarterly staff newsletters that highlight status of current activities	Marketing	June 1, 2021	December 31, 2024	60%	On-going
8.10.	STR	Create culture of employee engagement and ownership	HR	December 1, 2021	December 31, 2024	100%	Complete
8.10.1	ACT	Revive event committee as Employee Appreciation Committee	HR	December 1, 2021	December 31, 2024	100%	Complete
9	9	Improve quality of life of PH residents and HCV participants through services and programs				73%	
9.1	STR	Expand resources for resident services, including funding for additional resident services staff	Resident Initiatives	December 1, 2019	December 31, 2024	100%	
9.1.1	ACT	Refer to Strategy 6.1	Resident Initiatives	December 1, 2019	December 31, 2024	100%	Complete
9.1.2	STR	Continue implementation of Human Services Plan	Resident Initiatives	October 1, 2019	December 31, 2024	100%	
9.1.3	ACT	Secure MOUs and Partner Agreements for defined services	Resident Initiatives	October 1, 2019	December 31, 2024	100%	Complete
9.1.4	ACT	Expand Program Coordinating Committee	Resident Initiatives	October 1, 2019	December 31, 2024	100%	Complete
9.2	STR	Prepare for transition for completion of Jobs Plus program	Resident Initiatives	April 1, 2020	September 30, 2022	100%	Complete
9.2.1	ACT	Submit close-out documents including SF-425 financials, Demographic Report, JPEID, Budget Explanation and Narrative as defined in HUD grant agreement	Resident Initiatives	April 1, 2020	June 30, 2021	100%	Complete
9.3	STR	Expand residents' access to technology	IT	October 1, 2021	April 30, 2023	50%	
9.3.1	ACT	Implement Rent Café profiles for clients	IT	January 1, 2020	April 30, 2023	50%	Underway

9.4	STR	Complete improvements to Al Chappelle Community Center and increase utilization of center for programs and events	Resident Initiative & Development & Modernization	October 1, 2020	December 31, 2024	83%	
9.4.1	ACT	Create or improve partnerships with social service agencies (see 6.4.4; 9.2.1)	Resident Initiatives	October 1, 2020	December 31, 2024	100%	Complete
9.4.2	ACT	Utilization of the Resident Initiative Marketing Plan	Resident Initiatives	October 1, 2020	December 31, 2024	100%	Complete
9.4.3	ACT	Physical Improvements to the Al Chappelle Center and Clinton-Peabody Development	Development & Modernization	October 1, 2021	September 30, 2024	50%	Underway
9.5	STR	Expand access of resident initiatives programs to HCV participants	Resident Initiatives	December 1, 2021	December 31, 2024	7%	
9.5.1	ACT	Create marketing and communications plan specific to HCV	Resident Initiatives	December 1, 2021	June 30, 2024	10%	Underway
9.5.2	ACT	Inform and Educate SLHA staff of plan	Resident Initiatives	July 1, 2022	December 31, 2024	0%	Not Started
9.5.3	ACT	Distribute RI information to all HCV households annually	Resident Initiatives	December 31, 2021	December 31, 2024	10%	Underway

St. Louis Housing Authority

FY 2026 Annual Plan

ATTACHMENT #14

Section C.1 – Resident Advisory Board (RAB)

Comments and Responses

May 20, 2026

Ms. Latasha Barnes
Executive Director
St. Louis Housing Authority
3520 Page Blvd.
St. Louis, MO 63106

Re: St. Louis Housing Authority's Draft FY2026 Agency Plan

Dear Ms. Barnes,

This letter confirms the City-Wide Tenant Advisory Board's (TAB) review and discussion of the St. Louis Housing Authority's (SLHA) FY2026 Draft Agency Plan (Plan).

The TAB received a copy of the Plan for review and comment, and the meeting held on May 20, 2026 provided a valuable opportunity for the TAB to discuss the Plan's provisions with SLHA representatives.

Based on the review and discussion, the TAB confirms that there are no outstanding comments or questions regarding the Plan that were not adequately addressed.

The TAB is grateful for the opportunity to participate in the process and looks forward to continued collaboration with SLHA.

Sincerely,

A handwritten signature in blue ink that reads "Benita Jones". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Benita Jones
President
City-Wide Tenant Advisory Board

St. Louis Housing Authority
Public Hearing Comments and Responses
Annual Plan FFY 2026

The St. Louis Housing Authority (SLHA) issued the proposed Agency Plan for public comments on May 1, 2026 for a 45-day comment period. On June 15, 2026, an in-person public hearing was held. There were three (3) attendees, including two (2) SLHA staff and one (1) resident. SLHA received four (4) comments. A summary of the comments and SLHA's responses to the comments are listed below.

I. COMMENTS TO THE AGENCY PLAN:

Comment #1:

A resident of Cambridge Heights expressed concerns regarding conditions at the property, including maintenance needs and issues related to unhoused encampments in the surrounding area. The resident indicated that additional support is needed to improve conditions for the residents.

SLHA Response:

SLHA acknowledges the concerns raised by the resident regarding the conditions at Cambridge Heights. Cambridge Heights is a mixed-finance property that is not owned or managed by SLHA. The property is currently under receivership, and a new management team has recently assumed responsibility for day-to-day operations.

SLHA is engaging with the receiver and management team regarding the conditions at the property and is awaiting additional information concerning potential redevelopment plans. In anticipation of future opportunities, Cambridge Heights has been identified in SLHA's Annual Plan for possible repositioning activities, subject to further evaluation, funding availability, and all required approvals.

Comment #2:

Paul Werner, Director of Policy and Procurement for the St. Louis Housing Authority, presented revisions to the Admissions and Continued Occupancy Policy (ACOP) matrix to incorporate federally mandated changes required under HUD Notice PIH 2023-27 (Revision 3) and Sections 102 and 104 of the Housing Opportunity Through Modernization Act (HOTMA).

SLHA Response:

Attachment #3A, Changes to Admissions and Continued Occupancy Policy (ACOP), has been revised to incorporate the requested revisions.

Comment #3:

Paul Werner, Director of Policy and Procurement for the St. Louis Housing Authority, provided the Income Limits for fiscal year 2026, which were not issued by HUD until May 1, 2026, the day the Draft Agency Plan was released for public comment.

SLHA Response:

Attachment #3B, Income Limit Chart, has been revised to incorporate the FY 2026 Income Limit Chart into the Agency Plan.

Comment #4:

Jason Hensley, Director of Real Estate Development for the St. Louis Housing Authority, presented a revision to the Capital Fund Plan to incorporate California Gardens into the St. Louis Housing Authority RAD/Section 18 repositioning strategy.

SLHA Response:

Attachment #11 – Section B.2 (b) – New Activities has been revised to incorporate the requested revisions and the Five-Year Action Plan for FY2026 – FY2030 has been updated to include California Gardens.

II. COMMENTS TO THE ADMISSIONS AND CONTINUED OCCUPANCY POLCY:

Refer to Comments #2 and #3.

III. COMMENTS TO THE UTILITY ALLOWANCE SCHEDULE

No comments were received during the 45-day comment period.

IV. COMMENTS TO THE FLAT RENT SCHEDULE

No comments were received during the 45-day comment period.

V. COMMENTS TO THE CAPITAL FUND FIVE-YEAR ACTION PLAN

Refer to Comment #4.

COMMENT TO THE FY 2026 AGENCY PLAN

COMMENT #2

(Attachment #3A – Changes to Admissions and Continued Occupancy
Policy - ACOP)

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

Chapter	Current	Change/Addition/Comment
ACOP APPENDIX 2 Income Limits		SEE ATTACHMENT
ACOP APPENDIX 3 Flat Rent Schedule		SEE ATTACHMENT
CHAPTER 11 Income Determination 11.6 Earned Income Disallowance	EID is only available to families that are eligible for and already participating in the program as of January 1, 2021. After January 1, 2021, eligible families may continue to receive the benefits of EID until their 12-month period has expired. Effective January 1, 2026 no families will receive the EID benefit.	REVISE SECTION SLHA has discontinued the enrollment of new EID participants. EID is only available to families that are eligible for and already participating in the program as of January 1, 2021. After January 1, 2021, only families active in the program prior to the statutory cutoff may complete their individual 24-month lifetime cap.
CHAPTER 11 Income Determination		Chapter will be updated to reflect changes from HUD NOTICE PIH 2023-27 (Revision 3).

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

CHAPTER 12 Verifying Income		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 13 Adjustments to Annual Income		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 20 Rexaminations		Chapter will be updated to to reflect chnages from <i>Notice PIH 2023-27 (Revision 3)</i> . See Attachment
CHAPTER 20 Rexaminations 20.1 Overview		ADD TO CURRENT SECTION In compliance with <i>Notice PIH 2026-15</i> , full system enforcement for standard transactions applies to all actions effective January 1, 2027, with local operational workflows and software configurations going live in September 2026 to capture those cycles.

Admissions and Continued Occupancy Policy (ACOP) Changes/Additions 2026

CHAPTER 20 Rexaminations 20.4.2 Changes in Family and Household Composition		ADD TO CURRENT SECTION Interim reexamination is mandated for any household addition or removal, including family members, foster adults, foster children, and live-in aides, regardless if the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income. When conducting an interim reexamination, increases in earned income will not be considered outside of the exceptions specified in Notice PIH 2023-27 (Revision 3).
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COMMENT TO THE FY 2026 AGENCY PLAN
COMMENT #3
(Attachment #3B – Income Limit Chart)

**St. Louis Housing Authority
INCOME LIMITS**

**FY 2026 Income Limits
Median Family Income \$113,500**

No. of Persons	1	2	3	4	5	6	7	8	9	10	11	12
Extremely Low Income (30%) Limit	\$23,850	\$27,250	\$30,650	\$34,050	\$38,680	\$44,360	\$50,040	\$55,720	\$47,700	\$50,400	\$53,150	\$55,850
Very Low (50%) Income Limit	\$39,750	\$45,400	\$51,100	\$56,750	\$61,300	\$65,850	\$70,400	\$74,950	\$79,450	\$84,000	\$88,550	\$93,100
Low (80%) Income Limit	\$63,600	\$72,650	\$81,750	\$90,800	\$98,100	\$105,350	\$112,600	\$119,900	\$127,150	\$134,400	\$141,650	\$148,950
Over- Income (120%) Income Limit	\$95,400	\$108,960	\$122,640	\$136,200	\$147,120	\$158,040	\$168,960	\$179,880	\$190,680	\$201,600	\$212,520	\$223,440

NOTE: The above income limits are effective as of May 1, 2026 and subject to change as HUD generally revises these limits annually.

The latest and most recent annual income limits as established and approved by HUD shall be applicable and are automatically incorporated into and made a part of this policy as of the effective date of the newly established income limits as set forth and approved by HUD. As Income Limits are revised and modified by HUD and adopted by the SLHA Board of Commissioners through board resolution, they will be posted at each development.

COMMENT TO THE FY 2026 AGENCY PLAN
COMMENT #4
(Attachment #11 – Section B.2 (b) – New Activities)

St. Louis Housing Authority
FY 2026 Annual Plan
Section B.2 - New Activities

Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (a)	Choice Neighborhood	Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Planning work completed for the redevelopment in FY2023 has indicated that a comprehensinsive funding mechanism like Choice is critical for the success of the redevelopment. SLHA will submit a competitive Choice Neighborhood grant application for Clinton-Peabody in the next funding round available.	MO001000002	281 units Public Housing	Timeline for activity: Projected start date of activity: 03/2024. Projected end date of activity: 12/2033.

St. Louis Housing Authority
FY 2026 Annual Plan
Section B.2 - New Activities

Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing, Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (a)	Mixed-Finance	Clinton-Peabody Revitalization SLHA procured Preservation of Affordable Housing (POAH) in November 2022 as the Master Developer for the Clinton-Peabody redevelopment. Community Engagement POAH was required to produce a Community Engagement Plan (CEP) to outline their community outreach efforts. POAH began engaging the community in January 2023 and has held monthly in-person community engagement planning meetings since. Residents have informed the Master Plan and have made significant contributions to the final layout. This plan was finalized in September 2023. POAH has also produced a website for the Clinton-Peabody redevelopment, posted flyers, knocked on doors, and made significant engagement efforts.	MO001000002	281 units Public Housing	Timeline for activity: Projected start date of activity: 01/2022. Projected end date of activity: 12/2033.

St. Louis Housing Authority
FY 2026 Annual Plan
Section B.2 - New Activities

Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
		Funding Opportunities POAH resubmitted a Low Income Housing Tax Credit (LIHTC) application to the Missouri Housing Development Commission (MHDC) for the first phase of redevelopment in September 2024. The application was successful and MHDC awarded POAH tax credits for the first phase which will include 89 units. Of those, 44 will be replacement housing units for Clinton-Peabody residents. SLHA and POAH will continue to submit MHDC LIHTC applications for future rounds. SLHA will continue to pursue and support every reasonable funding source, including Choice Neighborhoods, available for the redevelopment of Clinton-Peabody.			
B.2 (b)	Disposition	Vaughn Family - Warehouse Facility SLHA will submit a Section 18 application to HUD requesting disposition of the property to help realign the SLHA portfolio to support/or create housing opportunities.	MO001000006	0	Timeline for activity: Projected start date of activity: 10/2025. Projected end date of activity 09/2028.
B.2 (b)	Disposition	Euclid Plaza Vacant Land SLHA will submit a Section 18 application to HUD requesting disposition of the property to help realign the SLHA portfolio to create additional housing opportunities.	MO001000013	0	Timeline for activity: Projected start date of activity: 10/2025 Projected end date of activity 09/2027.

St. Louis Housing Authority
FY 2026 Annual Plan
Section B.2 - New Activities

Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Demolition/Disposition	Clinton-Peabody Revitalization The Physical Needs Assessment (PNA) finalized in 2022 shows a significant need for revitalization of the Clinton-Peabody Apartments development. The property will be revitalized through the use of a master developer, which will utilize demolition/disposition tools available through HUD. SLHA will submit a Section 18 demo/dispo to HUD through the RAD repositioning process.	MO001000002	281 units Public Housing Bedrooms: 1-Bedroom = 52 2-Bedroom = 158 3-Bedroom = 111 4-Bedroom = 4 5-Bedroom = 4	Timeline for activity: Projected start date of activity: 04/2022 Projected end date of activity 12/2030.
B.2 (b)	Demolition/Disposition	Hodiamont Disposition The PNA finalized in 2022 shows that the property would need \$4.6 million in renovation over 10 years to bring it up to standard. SLHA began the process of collecting the information necessary to submit a Section 18 application in February 2022. This included seeking a capital needs assessment and performing a site specific HUD environmental review. SLHA submitted a Section 18 application to HUD for the property in 2024 and is waiting for a determination by SAC. The property will be sold to a responsible owner committed to furthering SLHAs mission.	MO001000041	22 units Public Housing	Timeline for activity: Technical assistance start date: 02/2022. Projected end date of activity 09/2026.

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Section B.2

Choice Neighborhood, Mixed-Finance, Modernization or Development, Demolitions and/or Disposition, Conversion of Public Housing. Homeownership programs and Project-Based Vouchers

Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Disposition/Partial Disposition	Cambridge Heights Vacant Land SLHA will submit a Section 18 disposition application to HUD for the property to request disposition from the ACC contract. SLHA may choose to lease the property for a use other than housing.	MO001000058/MO001000060	N/A	Timeline for activity: Projected start date of activity: 10/2025 Projected end date of activity 09/2028.
B.2 (b)	Disposition/Partial Disposition	Parkview Apartments - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Parkview Apartments as a Tier 1C property in need of repositioning. Predevelopment work on converting the property to RAD/Section 18 Blend (substantial rehab) or RAD began in 2024.	MO001000019	295 units Public Housing Bedrooms: 0-bedroom = 8 1-bedroom = 287	Timeline for activity: Start date of activity: 03/2024 Projected end date of activity 09/2027.
B.2 (b)	Partial Disposition	Lookaway Disposition The PNA finalized in 2022 show that these properties would need \$3.1 million in capital improvements over 10 years. SLHA will consider submitting to HUD an application requesting the conversion of single-family PH units to affordable home ownership opportunities.	MO001000041	17 units Public Housing	Timeline for activity: Projected start date of activity: 10/2023 Projected end date of activity 09/2028. Bedrooms: 4-bedroom = 17

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (b)	Disposition/Partial Disposition	California Gardens - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies California Gardens as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically concrete spalling, elevator reconstruction, and unit vacancy the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2026.	MO001000038	28 Units Public Housing Bedrooms: 1-bedroom = 28	Timeline for activity: Start date of activity: 02/2026 Projected end date of activity 09/2027.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	In 2022, HUD provided technical assistance through a firm with expertise on its asset repositioning plans. A draft report was presented to the SLHA Board of Commissioners at the January 2023 board meeting. The Asset Repositioning Strategy was approved by the Board of Commissioners on November 15, 2023 and will be used to guide future decisions on submitting RAD applications.	TO BE DETERMINED	TO BE DETERMINED	Timeline for activity: Projected start date of activity: 01/2022. Projected end date of activity: Ongoing.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	Parkview Apartments - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Parkview Apartments as a Tier 1C property in need of repositioning. Predevelopment work on converting the property to RAD began in 2025.	MO001000019	295 units Public Housing Bedrooms: 0-bedroom = 8 1-bedroom = 287	Timeline for activity: Start date of activity: 03/2025 Projected end date of activity 09/2028.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	LaSalle Park - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies LaSalle Park as a Tier 3 property in need of repositioning. If HUD allows, SLHA will submit a RAD application requesting conversion.	MO001000034	148 units Public Housing 2-Bedroom = 30 3-Bedroom = 79 4-Bedroom = 39	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2027.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	West Pine Apartments - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies West Pine Apartments as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD will begin in 2026.	MO001000017	99 Units Public Housing Bedrooms: 1-Bedroom = 99	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2029.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	King Louis Square - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies King Louis Square as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000047	36 Units Public Housing Bedrooms: 1-Bedroom = 8 2-Bedroom = 22 3-Bedroom = 4 4-Bedroom = 2	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	King Louis Square II - RAD Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies King Louis Square II as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000049	44 Units Public Housing Bedrooms: 1-Bedroom = 11 2-Bedroom = 20 3-Bedroom = 13	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	Murphy Park II & III - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies Murphy Park II & III as a Tier 3 properties in need of repositioning. Given the advanced needs of the building systems, specifically plumbing and exterior work, the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2024.	MO001000045 & MO001000046	129 Units Public Housing Bedrooms: MPI 2-Bedroom = 27 3-Bedroom = 30 4-Bedroom = 7 MPPII 2-Bedroom = 25 3-Bedroom = 30 4-Bedroom = 5 5-Bedroom = 5	Timeline for activity: Start date of activity: 10/2025 Projected end date of activity 09/2026.

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
B.2 (d)	Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD	California Gardens - RAD/Section 18 Blend Conversion The SLHA Asset Repositioning Strategy approved on November 15, 2023 identifies California Gardens as a Tier 3 property in need of repositioning. Given the advanced needs of the building systems, specifically concrete spalling, elevator reconstruction, and unit vacancy the property will need extensive rehabilitation to convert to RAD. Predevelopment work on converting the property to RAD began in 2026.	MO001000038	28 Units Public Housing Bedrooms: 1-bedroom = 28	Timeline for activity: Start date of activity: 02/2026 Projected end date of activity 09/2027.
B.2 (e)	Homeownership	Near South Side La Saison Construction of 10 single-family homes in two Phases. Conversion of 10 lots to homeownership opportunities.		10	Vacant Lots: Actual start date of activity: 5/31/2016. Phase I - 5 homes constructed. Four of the 5 homes sold in 2022, the final home to be sold in 2023. Phase II - Expected to begin in 2025. The
B.2 (e)	Homeownership	Section 8 - Bridge to Homeownership Program		17	
B.2 (f)	Mainstream Voucher program	SLHA receives vouchers from HUD to assist near elderly and/or disabled families.			Allocated 87 Leased 69
B.2 (f)	Special Purpose: Housing Choice Voucher Program (VASH) voucher	SLHA continues to receive referrals from the Veteran's Administration for a Special-purpose voucher program under the Veterans Affairs Supportive Housing (VASH) program.			Allocated 305 Leased 261

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission	
B.2 (f)	Special Purpose: Emergency Housing Voucher	SLHA receives vouchers from HUD in order to assist individuals and families that are homeless or at risk of being homeless, fleeing, or attempting to flee, domestic violence.			Allocated 181	Leased 150
B.2 (f)	Project-based Vouchers	SLHA has 205 Project-based units. SLHA will explore issuing an RFP to increase the number of project-based vouchers in SLHAs Housing Choice Voucher program if funding is available.	Approved:			
				Blumeyer Elderly, L.P. (Sr. Living at Renaissance)		30
				Blumeyer II Associates (The Gardens @ Renaissance)		8
				Cambridge Seniors, L.P.		36
				Carr Square Tenant Corp.		77
				Hammond Apartments, L.P.		28
				Vaughn Elderly, L.P. (Cahill House)		26
				Total:		205
B.2 (f)	Special Purpose: Tenant Protection Voucher (TPV) program	SLHA receives Tenant Protection Vouchers (TPV) from HUD for special purposes				Leased 174
B.2 (f)	Project-Based Vouchers, Project-Based Rental Assistance, RAD and/or Section 18 (Proposed)	SLHA will convert some or all of its public housing portfolio to RAD and/or Section 18 Project-Based Vouchers (PBV) or Project -Based Rental Assistance (PBRA) (if in an Opportunity Zone)	Proposed	Development		Units
			MO001000002	Clinton-Peabody		281
			MO001000034	LaSalle Park		148
			MO001000037	Cochran Plaza		78
			MO001000038	Lafayette Apartments		26
			MO001000038	California Gardens		28
			MO001000038	Armand & Ohio		4
			MO001000038	Folsom		6
			MO001000038	Marie Fanger		6
			MO001000038	South Broadway		10
			MO001000038	Lafayette Townhomes		38
			MO001000038	Tiffany Turnkey		25
			MO001000041	Towne XV		8
			MO001000041	McMillan Manor		20

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
			MO001000041	Page Manor	10
			MO001000041	Samuel Shepard	16
			MO001000041	Cupples	4
			MO001000041	Walnut Park	13
			MO001000041	Lookaway	17
			MO001000041	McMillan Manor II	18
			MO001000052	King Louis III	24
			MO001000047	King Louis Square	36
			MO001000049	King Louis Square II	44
			MO001000044	Murphy Park I	93
			MO001000045	Murphy Park II	64
			MO001000046	Murphy Park III	65
			MO001000050	Ranaissance Pl @ Grand	62
			MO001000054	Sr. Living at Renaissance Pl	75
			MO001000055	Gardens at Renaissance Pl	22
			MO001000056	Cahill House	80
			MO001000057	Ranaissance Pl @ Grand II	36
			MO001000059	Renaissance Place @ Grand III	50
			MO001000062	Sr. Living at Cambridge Heights	75
			MO001000063	Arlington Grove	70
			MO001000064	North Sarah	59
			MO001000065	North Sarah II	46
			MO001000066	North Sarah III	35
			MO001000058	Cambridge Heights	46
			MO001000060	Cambridge Heights II	44
			MO001000010	James House	126
			MO001000013	Euclid Plaza Elderly	108
			MO001000017	West Pine	99
			MO001000019	Parkview Elderly	295
			MO001000028	Badenhaus Elderly	100
			MO001000028	Badenfest Elderly	21
			MO001000061	Kingsbury Terrace	120
			MO001000048	Les Chateauex	40

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Item Number	Program Description	Project Description	Development Number	Unit Count /Affected Units	Time Table for Submission
					Total 2691
B.2 (g)	Emergency Safety and Security Application	SLHA continues to apply for funds to address crime and drug-related activities that pose an increased threat to health and safety of residents. SLHA will continue submit a health and safety grant for safety improvements at developments throughout the SLHA portfolio.	MO001000099	PHA Wide	Emergency safety and security application submission anticipated 03/27/24. Timeline for activity: Projected start date of activity: 10/01/2025. Projected end date of activity: 09/30/2026.
B.2 (g)	Housing Related Hazards Capital Fund and Lead-Based Paint Capital Fund Grant	SLHA continues to apply for funds to address hazzards that may linger in its housing developments including reducing potentials for carbon monoxide poisoning through the application of electric appliances and ventilation fans. SLHA will submit a Housing Related Hazzards Capital Fund grant for PHA Wide units.	MO001000099	PHA Wide	Housing Related Hazards Capital Fund and Lead-Based Paint Capital Fund Grant application anticipated to be submitted in April 2026. Timeline for activity: Actual start date of activity: 10/01/2025. Projected end date of activity: 09/30/2026.

St. Louis Housing Authority

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ATTACHMENT #15

Section C.2 – Form HUD-50077-SL

Certification by State or Local Officials

**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: 09/30/2027

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

I, Matt Moak, the Executive Director of Community Development Agency (CDA), certify
Official's Name *Official's Title*

that the 5-Year PHA Plan for fiscal years _____ and/or Annual PHA Plan for fiscal year
2026 of the St. Louis Housing Authority is consistent with the Consolidated Plan or State
PHA Name

Consolidated Plan including any applicable fair housing goals or strategies to:

The City of St. Louis Missouri pursuant to 24 CFR Part 91 and 24 CFR Part 903.15.
Local Jurisdiction Name

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

The St. Louis Housing Authority's (SLHA) Fiscal Year 2026 Agency Plan (Annual Plan) is consistent
with the City of St. Louis's (City) Consolidated Plan because its business strategies are aligned to
provide programs that benefit the very-low and low-to-moderate income households in the City. SLHA
and the City strive to accomplish this through the prevention or elimination of neighborhood blight and
by providing safe, decent, affordable housing choices throughout the community. SLHA and the City
continue to pursue and invest in opportunities for mixed-finance partnerships with private developers,
investors and community residents to develop affordable housing choices to improve the quality and
energy efficiency of housing in the jurisdiction.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly
submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil
and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. § 3729, 3802).

Name of Authorized Official: Matt Moak	Title: Executive Director, Community Development Agency (CDA)
Matt Moak	Executive Director, CDA
Signature: 	Date: <u>7.27, 2026</u>

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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy 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.

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ATTACHMENT #16

Section C.3 – Form HUD-50077-ST-HCV-HP

Civil Rights Certification / Certification of Compliance

**Certifications of Compliance with
PHA Plan and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires: 09/30/2027

**PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations
including PHA Plan Elements that Have Changed**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or ☒ Annual PHA Plan, hereinafter referred to as "the Plan," of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning 2026, in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a signed certification by the appropriate State or local official (form HUD-50077-SL) that the Plan is consistent with the applicable Consolidated Plan, which includes any applicable fair housing goals or strategies, for the PHA's jurisdiction and a description of the way the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the Resident Advisory Board (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the way the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
 - i. The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - ii. The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - iii. The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours. Where possible, PHAs should make documents available electronically, for public inspection upon request.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment. The PHA ensured all notices and meetings provided effective communication with persons with disabilities and further provided meaningful language access for persons with Limited English Proficiency (LEP).
6. The PHA certifies that it will carry out the public housing program of the agency in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), the Violence Against Women Act (34 U.S.C. § 12291 et seq.), and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Violence Against Women Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs.
7. The PHA will affirmatively further fair housing, in compliance with the Fair Housing Act, 24 CFR § 5.150 et seq., 24 CFR § 903.7(o), and 24 CFR § 903.15, which means that it will take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering

fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws (24 CFR § 5.151). Pursuant to 24 CFR § 903.15(c)(2), a PHA's policies should be designed to reduce the concentration of tenants and other assisted persons by race, national origin, and disability. PHA policies should include affirmative steps stated in 24 CFR § 903.15(c)(2)(i) and 24 CFR § 903.15(c)(2)(ii). Furthermore, under 24 CFR § 903.7(o), a PHA must submit a civil rights certification with its Annual and 5-year PHA Plans, except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document. The PHA certifies that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

8. For PHA Plans that include a policy for site-based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module and/or its successor system: the Housing Information Portal (HIP) in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination based on age pursuant to the Age Discrimination Act of 1975.
10. In accordance with the Fair Housing Act, the PHA will not base a determination of eligibility for housing on actual or perceived sexual orientation, or marital status and will not otherwise discriminate because of sex (including sexual orientation).
11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, 'Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped' for people with physical disabilities.
12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
13. The PHA will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implement the regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 2 CFR 200.302 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
21. All attachments to the Plan have been and will continue to always be available at all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA and, where possible, should be made available for public inspection in an electronic format.
22. The PHA certifies that it is following all applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

St. Louis Housing Authority
PHA Name

MO001
PHA Number/HA Code

X Annual PHA Plan for Fiscal Year 2026
____ 5-Year PHA Plan for Fiscal Years 20____ - 20____

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Name of Executive Director:	Name Board Chairman:
Latasha Barnes	Regina Fowler
Signature: <u>Latasha Barnes</u> Date: <u>6/29/26</u>	Signature: <u>Regina Fowler</u> Date: <u>6-29-2026</u>

This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

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St. Louis Housing Authority

FY 2026 Annual Plan

Table of Attachments

**Other Documents and /or Certifications not included in the Annual Submission
(Referencing Standard Template Form HUD-50075-ST)**

Attachment #17	Section B.1 (c) – Deconcentration Analysis
Attachment #18	Section B.2 (b) – Designated Housing Narrative
Attachment #19	SLHA Board Resolution – Agency Plan Submission
Attachment #20	SLHA Board Resolution – Five-Year Capital Fund Plan
Attachment #21	SLHA Repositioning Plan

ATTACHMENT #17

Section B.1 (c) – Deconcentration of Poverty and Income Mixing [24 CFR 903.1 and 903.2]

Deconcentration of poverty and income mixing is a policy that allows PHA's to bring higher income tenants into lower income developments and lower income tenants into higher income developments. In accordance with 24 CFR Part 903, a Deconcentration and Income Mixing Policy is required as a part of SLHA's Admissions and Continued Occupancy Policy (ACOP). SLHA's Deconcentration and Income Mixing Policy is included in Chapter 6 of the ACOP – Tenant Selection, Section 6.4.

Developments subject to the deconcentration of poverty and income mixing requirements are referred to as "covered" developments". Covered developments include general occupancy (or family) public housing developments.

Developments not subject to the requirement include public housing developments:

- with-fewer than 100 public housing units;
- designated specifically for elderly and/or disabled residents;
- approved for demolition or for conversion to tenant-based assistance; and
- approved mixed-finance developments using HOPE VI or public housing funds.

Table 2 - Average Income of Public Housing Developments includes a list of all SLHA developments, their annual income and if they are subject to the Deconcentration and Income Mixing Requirements.

SLHA will determine the average income of families in all covered developments on an annual basis. SLHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85 percent to 115 percent of the average family income. The results of SLHA's analysis are summarized on **Table 1 - Average Income of Families in All Covered Developments**.

If covered developments have an average income outside the EIR, SLHA will then determine whether or not these developments are consistent with its local goals and annual plan. If the development is not consistent with local goals and annual plan the SLHA may skip a family on the waiting list to reach another family in an effort that would further the goals of deconcentration.

Deconcentration of Poverty and Income Mixing
Table 1: Average Income of Families in Covered Developments

Development Name	Average Income	Average Income ALL Developments	% of Income	Established Income Range (85% - 115%)
James House	\$5,980	\$12,372	48%	Below
Euclid Plaza	\$6,415	\$12,372	52%	Below
Northside Scattered Sites	\$7,377	\$12,372	60%	Below
Southside Scattered Sites	\$8,475	\$12,372	69%	Below
Badenhaus/Badenfest	\$8,860	\$12,372	72%	Below
LaSalle Park	\$13,449	\$12,372	109%	Within
Kingsbury Terrace	\$10,486	\$12,372	85%	Within
ALL Covered Developments	\$9,045	\$12,372	73%	-

*Income Data as of January 21, 2026

Deconcentration of Poverty and Income Mixing
Table 2: Average Income of Public Housing Developments*

Dev. Number	Development Name		Count of Families	Average Income
020	Clinton-Peabody	Approved for Demolition	95	\$8,275.69
100	James House	Covered	114	\$5,979.76
132	Euclid Plaza	Covered	105	\$6,414.70
150	Towne XV (NSSF)	Covered	8	\$9,551.13
160	McMillan Manor (NSSF)	Covered	13	\$6,008.77
170	West Pine	< 100 Units	96	\$8,446.57
190	Parkview	Designated Elderly	199	\$10,637.34
220	Lafayette Apartments (SSSF)	Covered	27	\$9,143.26
230	California Gardens (SSSF)	Covered	2	\$11,958.00
260	Page Manor (NSSF)	Covered	1	\$0.00
280	Badenhaus Elderly (BH/BF)	Covered	94	\$8,069.80
340	LaSalle Park	Covered	143	\$13,449.21
350	Armand & Ohio (SSSF)	Covered	3	\$9,752.00
370	Cochran Plaza	<100 Units	61	\$10,738.66
380	Folsom (SSSF)	Covered	5	\$7,416.80
381	Samuel Shepard (NSSF)	Covered	6	\$7,666.00
382	Marie Fanger (SSSF)	Covered	4	\$15,973.00
383	Cupples (NSSF)	Covered	0	-
384	Hodiamont (NSSF)	Covered	0	-
390	Badenfest Elderly (BH/BF)	Covered	20	\$12,571.50
410	South Broadway (SSSF)	Covered	9	\$16,361.56
411	Walnut Park (NSSF)	Covered	11	\$10,546.27
412	Lookaway (NSSF)	Covered	12	\$4,558.17
420	Lafayette Townhomes (SSSF)	Covered	31	\$4,457.77
421	Tiffany Turnkey (SSSF)	Covered	23	\$8,760.43
440	Murphy Park I	Mixed Finance/HOPE VI	60	\$21,035.08
450	Murphy Park II	Mixed Finance/HOPE VI	50	\$18,889.16
460	Murphy Park III	Mixed Finance/HOPE VI	55	\$23,214.96
470	King Louis Square I	Mixed Finance/HOPE VI	38	\$18,854.95
480	Les Chateaux	Mixed Finance/HOPE VI	40	\$14,137.08
490	King Louis Square II	Mixed Finance/HOPE VI	46	\$25,573.63
500	Renaissance Place @ Grand I	Mixed Finance/HOPE VI	59	\$19,328.17
510	McMillan Manor II (NSSF)	Covered	10	\$7,872.20
520	King Louis Square III	Mixed Finance/HOPE VI	22	\$13,461.41
540	Sr. Living @ Renaissance Place	Mixed Finance/HOPE VI	72	\$12,996.17
550	Gardens at Renaissance Place	Mixed Finance/HOPE VI	21	\$9,785.76
560	Cahill House	Mixed Finance/HOPE VI	85	\$16,629.44
570	Renaissance Place @ Grand II	Mixed Finance/HOPE VI	35	\$10,780.03
580	Cambridge Heights	Mixed Finance/HOPE VI	17	\$20,386.35
590	Renaissance Place @ Grand III	Mixed Finance/HOPE VI	52	\$15,104.17
600	Cambridge Heights II	Mixed Finance/HOPE VI	19	\$23,648.05
620	Sr. Living @ Cambridge Heights	Mixed Finance/HOPE VI	71	\$14,081.24
630	Arlington Grove	Mixed Finance/HOPE VI	72	\$14,710.68
640	North Sarah	Mixed Finance/HOPE VI	53	\$12,444.89
650	North Sarah II	Mixed Finance/HOPE VI	36	\$11,559.14
660	North Sarah III	Mixed Finance/HOPE VI	34	\$9,318.71
661	Kingsbury Terrace	Covered	119	\$10,486.06
670	Preservation Square I	Mixed Finance/HOPE VI	19	\$11,771.16
Grand Total			2,167	\$12,372
All Covered Developments			760	\$9,045

Combined Developments				
NSSF	Northside Scattered Sites	Covered	61	\$7,377
SSSF	Southside Scattered Sites	Covered	81	\$8,475
BH/BF	Badenhaus/Badenfest	Covered	114	\$8,860

*Income Data as of January 21, 2026

ATTACHMENT #18

Section B.2 (b) – PHA Plan Update – Plan Elements Revised

Item 4 – Designated Housing Statement

Four (4) developments, Les Chateaux (MO001-000048) – 40 units, Senior Living at Renaissance Place (MO001-000054) – 75 units, Cahill House (MO001-000056) – 80 units and Senior Living at Cambridge Heights (MO001-000062) – 75 units are combined under one approved Designated Housing Plan. SLHA requested a two-year extension of the Designated Housing Plan and received HUD approval on June 6, 2024. SLHA is eligible to extend the plan for an additional 2-years and must receive HUD approval no later than September 5, 2026.

A Designated Housing Plan was submitted to HUD on April 19, 2023 for Parkview Apartments (MO001-000190) – 295 units, to designate the development as elder-only. This plan was approved by HUD on June 15, 2023 and is in effect for five years. The plan is eligible for renewal in two-year increments after the initial approval and the request must be approved by HUD no later than June 15, 2028.

**Approving and Authorizing the Submission of the Agency Plan
Annual Submission for Fiscal Year 2026**

WHEREAS, the St. Louis Housing Authority (SLHA) desires to submit the Agency Plan Annual Submission for fiscal year 2026; and

WHEREAS, the Agency Plan Annual Submission has been prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to HUD; and

WHEREAS, SLHA has worked in collaboration with the St. Louis Tenant Advisory Board and conducted planning meetings to obtain recommendations in the development of the proposed Annual Submission; and

WHEREAS, SLHA has published notices and made the proposed Agency Plan Annual Submission available for inspection and public comment for a period of 45 days prior to the Public Hearing; and

WHEREAS, SLHA has obtained certification from local government officials that the proposed Agency Plan Annual Submission is consistent with the jurisdiction consolidated plan; and

WHEREAS, SLHA conducted a Public Hearing on June 15, 2026, to obtain public comments regarding the proposed Annual Submission; and

WHEREAS, SLHA has considered all comments and recommendations received, and has incorporated all relevant changes in the proposed Agency Plan Annual Submission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ST. LOUIS HOUSING AUTHORITY THAT:

1. The Executive Director of the St. Louis Housing Authority is authorized and directed to submit the Agency Plan Annual Submission for fiscal year 2026 to the U.S. Department of Housing and Urban Development.



Latasha Barnes, Secretary
Board of Commissioners
St. Louis Housing Authority



Regina Fowler, Chair
Board of Commissioners
St. Louis Housing Authority

Approved by the Board of Commissioners on June 25, 2026

**Authorizing and Approving the St. Louis Housing Authority Capital Fund Five-Year Plan
and the FFY 2026 Capital Fund Annual Statement**

WHEREAS, the St. Louis Housing Authority (SLHA) has prepared the Capital Fund Five-Year Plan and the FFY 2026 Capital Fund Annual Statement in accordance with 24 CFR § 903.7(g) and the guidance provided by HUD; and

WHEREAS, SLHA has worked in collaboration with the St. Louis Tenant Affairs Board and conducted planning meetings to obtain comments on the proposed 2026-2030 Capital Fund Five-Year Plan and FFY 2026 Capital Fund Annual Statement; and

WHEREAS, SLHA has published notices and made the proposed Capital Fund Five-Year Plan and FFY 2026 Capital Fund Annual Statement available for inspection and public comment for a period of 45 days prior to the Public Hearing; and

WHEREAS, SLHA has developed a definition of a significant amendment or modification to the plan regarding the proposed Capital Fund Five-Year Plan; and

WHEREAS, SLHA conducted a Public Hearing on June 15, 2026 to obtain public comments regarding the proposed Capital Fund Five-Year Plan; and

WHEREAS, SLHA has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Capital Fund Five-Year Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ST. LOUIS HOUSING AUTHORITY THAT:

1. The Executive Director of the St. Louis Housing Authority is authorized and directed to execute the Annual Contributions Contract Amendment and the Capital Fund Annual Statement for FFY2026.
2. The Executive Director of the St. Louis Housing Authority is hereby authorized and directed to take any and all necessary actions to carry out the terms and conditions of this Resolution.



Latasha Barnes, Secretary
Board of Commissioners
St. Louis Housing Authority



Regina Fowler, Chair
Board of Commissioners
St. Louis Housing Authority

St. Louis Housing Authority Public Housing Portfolio Repositioning Strategy

Prepared with the assistance of Collaborative Housing Solutions through a HUD Technical Assistance Grant

Presented to the SLHA Board of Commissioners for Approval in November, 2023

ACKNOWLEDGEMENTS



Special thanks to the US Department of Housing and Urban Development and Enterprise Community Partners for supporting and implementing this Technical Assistance.

This report was produced by Collaborative Housing Solutions, based on input from the St. Louis Housing Authority (SLHA), the HUD Public Housing local field office, HUD Office of Recapitalization, and the HUD Special Application Center.

SLHA provided time and information necessary to produce this report intended to help guide its repositioning efforts. The recommendations in this report build upon the strategic planning efforts SLHA has previously undertaken.

- Purpose of the report
- Framing the issue
- What is “repositioning”?
- Why reposition?
- RAD & Section 18 Dispo Programs
- Key observations
- Considerations for SLHA
- Repositioning strategy for SLHA properties



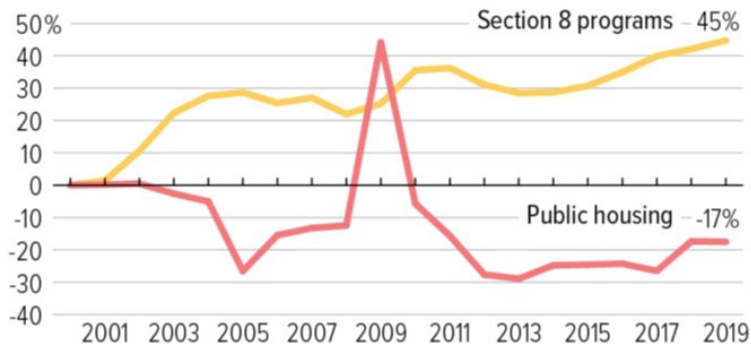
Purpose of the Report



Framing the Issue

Public Housing Funding Has Dropped While Section 8 Funding Has Responded to Cover Rising Needs

Percent change in funding since 2000, adjusted for inflation



Note: "Public Housing" includes capital and operating funds. "Section 8 programs" includes outlays for the Housing Choice Voucher and Project-Based Rental Assistance programs. The graph reflects annual budget authority for public housing and (to avoid distortions from one-time rescissions of funds and other factors) annual outlays for Section 8. Public housing funding for 2009 includes supplemental capital funds provided in economic recovery legislation.

Source: Office of Management and Budget Public Use Database, Department of Treasury expenditure data, and annual appropriations legislation

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG



Capital Needs Backlog in Billions



What is “Repositioning”?

- Unit is taken out of the federal public housing inventory and converted from Public Housing Section 9 to Section 8
- Preserves affordable housing availability, using a project-based or portable Section 8 voucher
- May be combined with “recapitalization,” which utilizes PHA and/or outside funding to undertake physical improvements (rehabilitation and/or new construction)
- However, might not involve major physical improvements
 - ~ 50% of RAD conversions do not use outside financing or undertake substantial rehabilitation

Changing Platforms - Not Changing Mission

- Agency remains a Public Housing Authority even if it converts all properties out of Public Housing funding
- PHAs continue to own & manage their affordable housing
- Repositioning does not change a PHA's core mission:
 - *to serve low-income residents & broader community*
- Repositioning offers tools for PHAs to maintain & improve their properties for the long-term
- Repositioning is voluntary and allows PHAs to have more local control of their properties' futures

WHAT DO RESIDENTS GAIN?

Better physical conditions



```
graph TD; A[Better physical conditions] --> B[Long-term affordable rental assistance with robust resident protections]; B --> C[Flexibility to move through Section 8 voucher program requirements];
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Long-term affordable rental assistance with robust resident protections

Flexibility to move through Section 8 voucher program requirements

WHY REPOSITION?

Long-term stability of rental income, subject to appropriations

Removal of restrictions that prevent debt/equity on properties

Stable income can leverage debt/equity for capital needs

Freedom to manage operating budgets and reap benefits of costs savings, like a typical multi-family owner

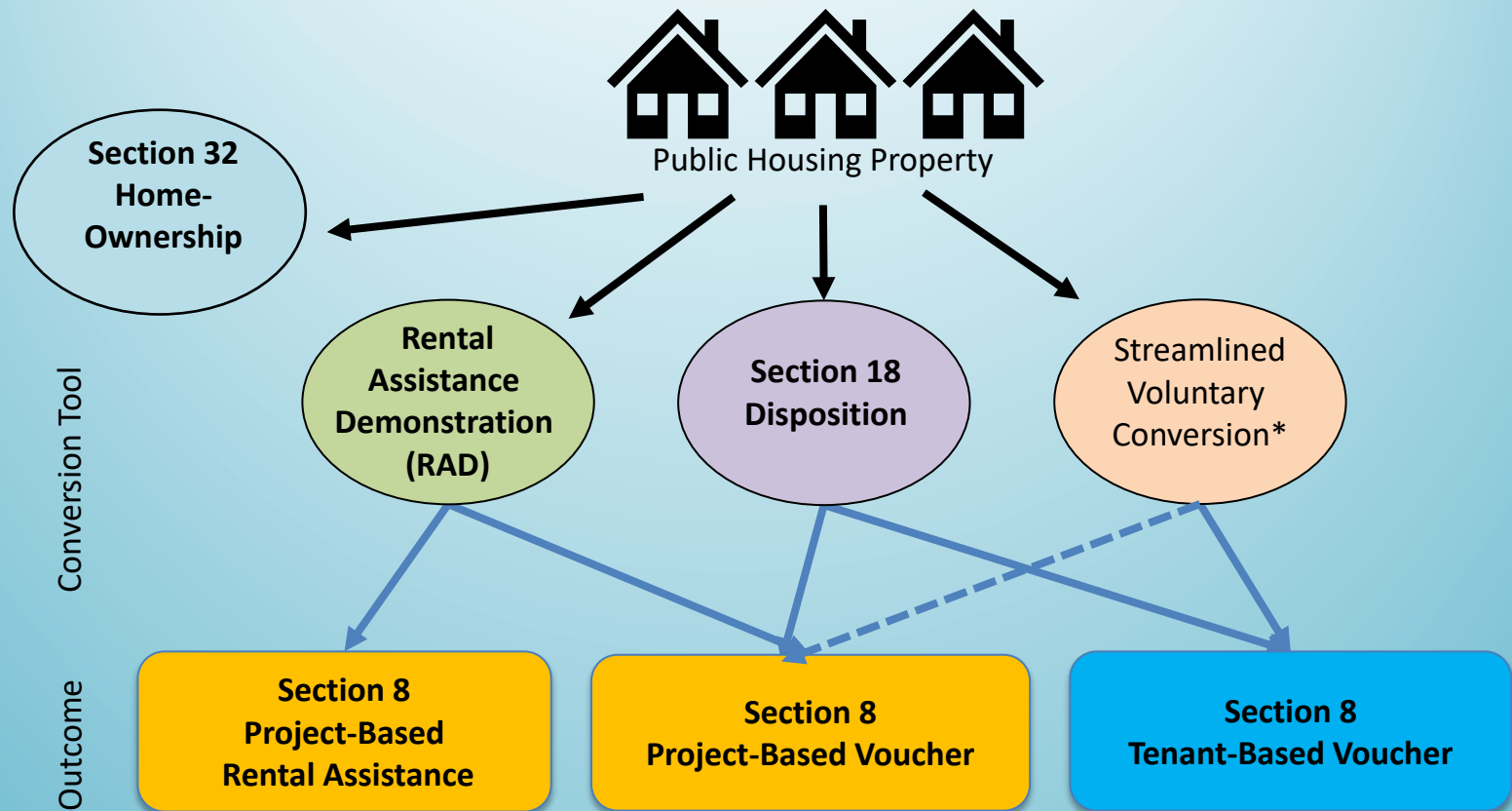
Properly structured projects generate unrestricted cash from cash flow, developer fees, and loan payments

Reduced administrative requirements and costs for agency

For RAD projects, predictable annual rent increases: OCAF

For Section 18 projects, ability for rents to be based on market

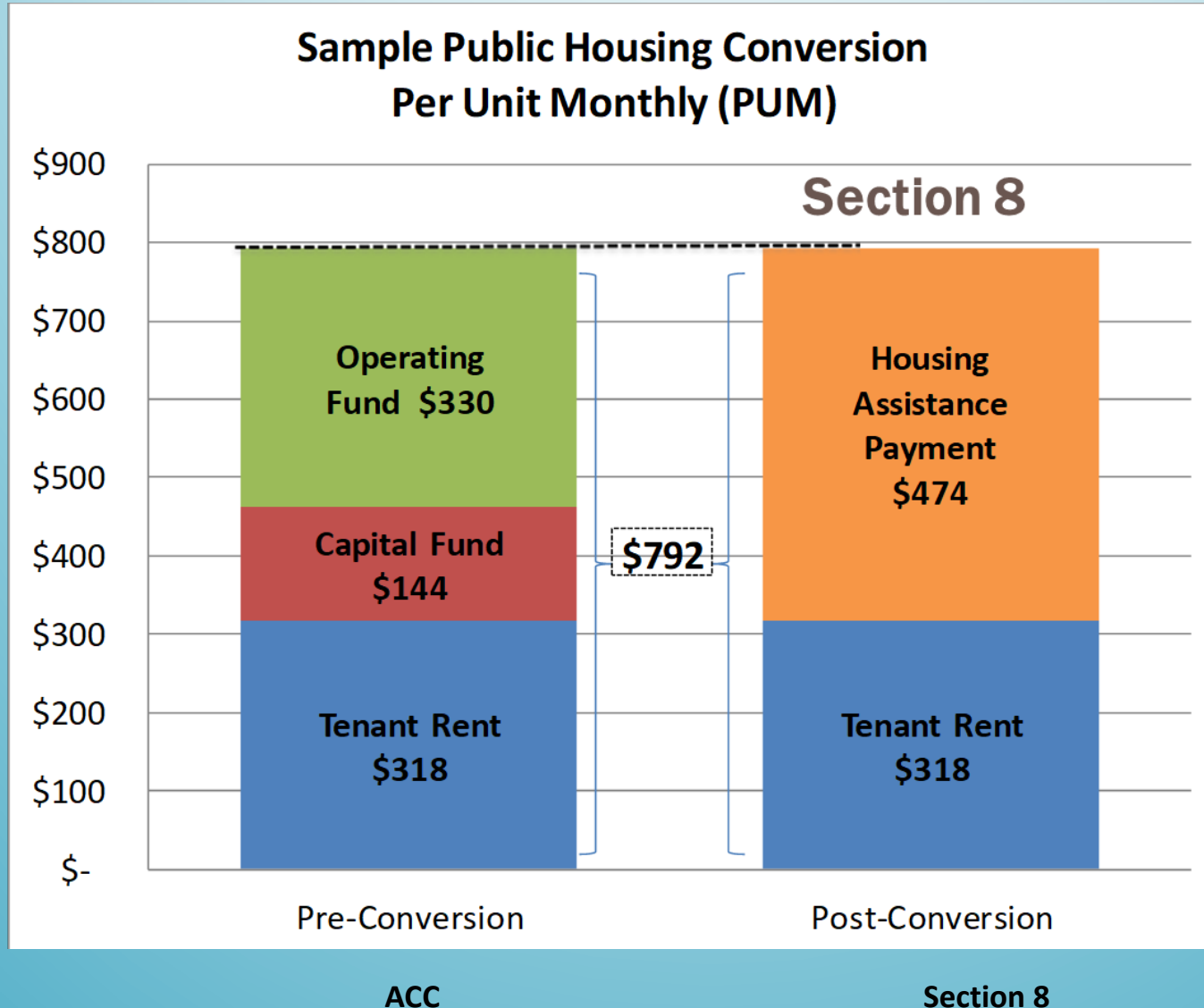
PUBLIC HOUSING REPOSITIONING OPTIONS



- Only available for PHAs with 250 or less Public Housing units

HOW RAD WORKS:

CONVERTING RENTS FROM PH ACC TO SEC 8



TOOLS IN THE RAD TOOLBOX

- **Portfolio Award:**
 - Reserve RAD authority for future
- **Transfer of Assistance:**
 - Allows income-mixing, density reduction, and/or transfer to neighborhoods w/ greater opportunities
- **RAD/Section 18 Blend:**
 - Only 4%/bond projects with substantial rehab or new construction or PHAs with 250 PH units or less
 - Portion of units as RAD PBVs & portion are S.18 PBVs
- **Faircloth to RAD:**
 - Allows PHAs to build new PH units under Faircloth and immediately convert to RAD PBVs once built

WHAT IS SECTION 18 DISPOSITION?



Dispose the units out of Public Housing system



SLHA receives Tenant Protection Vouchers and chooses whether to make portable or to project-base



Property must transfer or be sold to a separate entity, either:

- 1) To an affiliate LLC or non-profit entity of SLHA or
- 2) To a 3rd party



Even after S.18 disposition, property can remain in SLHA's control through affiliate LLC or non-profit

TYPES OF SECTION 18 DISPOSITIONS SLHA MOST LIKELY TO USE

- **Demolition/Disposition**
 - Must prove physical obsolescence
- **Scattered Sites**
 - Must have non-contiguous sites with 4 units or less on each site
 - No physical obsolescence test
- **Efficient, effective method for serving residents**
 - Must prove S.8 is more effective than PH funding
 - Only receive TPVs for 25% of units
 - No physical obsolescence test

FRAMEWORK FOR PLANNING

Asset Repositioning Plan Framework

CURRENT STATE

Define current state of PHA in measurable terms as basis to identify points to examine and change.

Organization

Budget
Employees
Programs
Development experience
Legal structure
Property management

Impact

HH served
Resident demographics
Demand

Portfolio

units
properties
Physical condition
Past financing (EPC, CFFP)
Financial performance
Affordability restrictions

External Scan

Partners
Relationship with local gov't
\$ in affordable housing system
PHA roles as a policy setter, funder, developer.
Competitors / consumers of PHA resources.

PROJECT GOAL

Preservation

Recapitalize existing building, maintain affordability. Improve financial performance. Project base rental subsidy in existing building. Leverage additional capital.

Redevelop Site

Raze existing building. Build back on site. Affordable and/or mixed income. Combine PBV and LIHTC only.

Create New Housing in Different Location

Shift subsidy to different building. Create new affordable housing options. Sell donor site. Reinvest sale proceeds in housing

Sell Property

Allow residents to relocate with a HCV. Sell property. Create / preserve housing.

AVAILABLE TACTICS

RAD

By Right application, must demonstrate feasibility, RAD Rents.

RAD / Section 18 Blends

Construction Blends, Small PHA Blend

Section 18 Dispo /Obsolescence

Must prove Obsolescence if > 50 units in PIC. Rehab > 62% or 57% HCC. TPVs

Section 18 Scattered Sites

Dispo approval by right if. scattered site bldg. with four or fewer units. TPV.

Section 18 Dispo Obsolescence

Preservation strategy. Use local HCV to PBV.

Section 22 SVC

PHA < 250 units, TPV, residents get to use as HCV unless relinquished.

FUTURE STATE

Describe desired future state within 7 years using same measurable terms with specific outcomes defined.

Organization

Budget
Employees
Programs
Development experience
Legal structure
Property Management

Impact

HH served
Resident demographics
Demand

Portfolio

units
properties
Physical condition
Past financing (EPC, CFFP)
Financial performance
Affordability Restrictions

External Scan

Partners
Relationship with local gov't
\$ in affordable housing system
PHA roles as a policy setter, funder, developer.
Competitors / consumers of PHA resources.

KEY OBSERVATIONS

Comparison of S.I8 PBV rents vs. RAD PBV rents



- S.I8 PBV rents: set at lower of 110% FMR minus UAs or reasonable rents
- RAD PBV rents: set by HUD, based on current PH funding levels
- SLHA's PH properties: RAD rents are nearly the same as S.I8 PBV rents
- SLHA's mixed-finance properties: RAD rents lower than S.I8 PBV rents

SLHA's need for LIHTCs to address physical needs is far greater than availability



- SLHA will need to triage highest-priority properties
- Must leverage funds from other sources: City, commercial/FHA debt, grants, etc.

May be appropriate to sell certain scattered-site properties to 3rd parties



- HUD provides portable vouchers to residents
- SLHA may use sales proceeds for future SLHA redevelopment activities
- Relatively straight-forward S.I8 disposition process = 'Quick Wins'

3rd party property management has been challenging



- SLHA may need to continue self-management for the foreseeable future

KEY OBSERVATIONS CONT'D

SLHA non-residential properties



- SLHA owns 2 non-residential sites: vacant warehouse bldg. in downtown and vacant land near Symphony. SLHA will need to identify a redevelopment and/or sale strategy for these sites.

SLHA has a solid in-house asset management system/process already in place



- SLHA should continue to practice best practices

New diversified funding streams for SLHA's Central Office



- SLHA will earn income from multiple sources from repositioning
- Goal: Central Office to be financially self-sustainable and less reliant on HUD subsidies
- Strategic forecasting and fiscal management will be critical

Repositioning will occur incrementally over time, since SLHA has a large portfolio. Gives time for agency to adjust and adapt.



- Creating and following a strategy, a roadmap, will be important
- Periodic evaluation and course-correction to adjust strategy over time

KEY OBSERVATIONS CONT'D

Development staff capacity



- Additional development staff may likely be needed and/or repositioning consultant

Training and capacity building for staff



- Training in financial management of multiple income streams
- Training in ownership perspective: net cash flow, economic vacancy, etc

Ongoing resident and community engagement

- Ongoing resident/community meetings and communications is critical, especially when resident relocation is involved

Considerations for SLHA

Mission and role of SLHA during and after conversion process out of Public Housing and onto Section 8

How to fund Central Office: multiple income streams

Staffing responsibilities

Change property management/culture change for financial management and reporting

Enhanced asset management perspective:

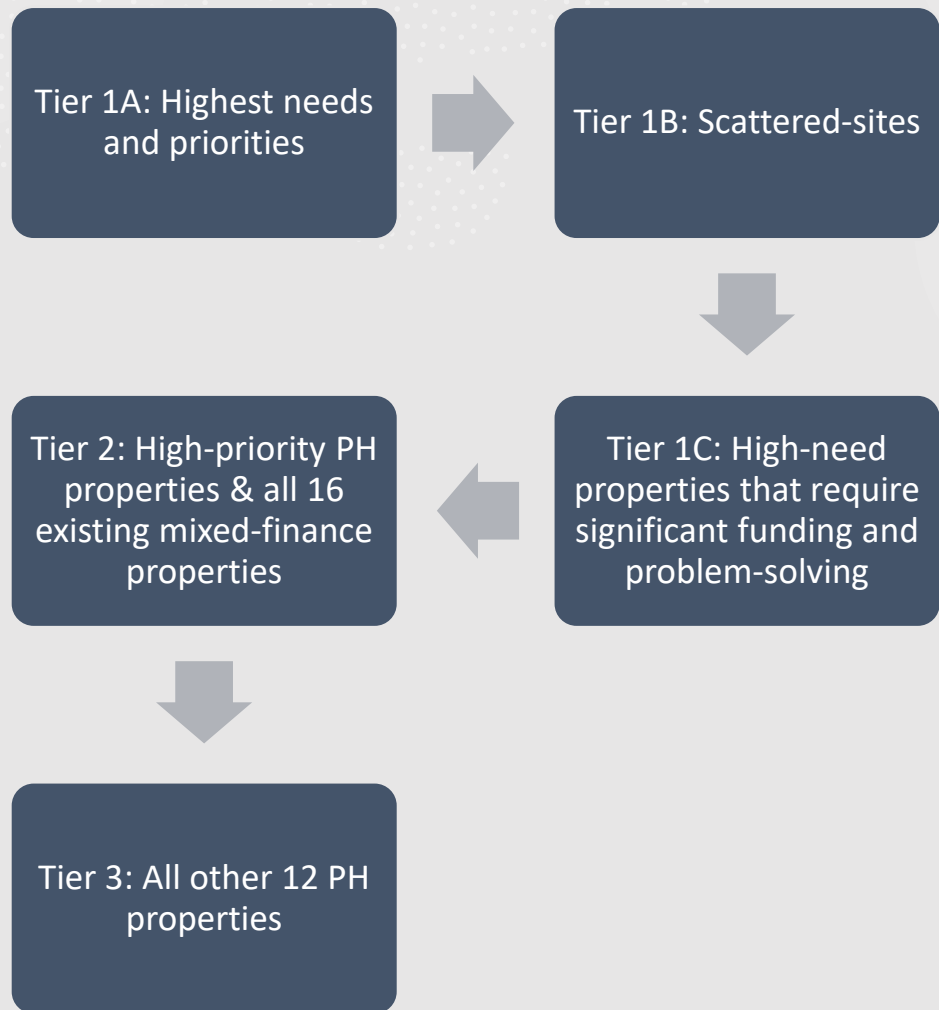
- Property operating budgets, NOI, economic vacancies
- Reserve for Replacements: initial & monthly deposits

Transparency and effective communication with residents, Board, partners, and larger community

How Can SLHA Central Office Be More Financially Self-Sufficient?

- Net cash flow from converted properties
- Developer fees
- Voucher administrative fees
- Asset Repositioning Fees & Demo Dispo Transition Funding from S. 18 properties
- Loan debt service payments
 - Funds SLHA will loan to redevelopments
 - Seller financing on LIHTC rehab properties
- Asset management fees
- Property management fees, if self-managed

Summary of SLHA Repositioning Strategy



SLHA STRATEGY – TIER 1 PROPERTIES

Tier IA

Tier IA: Immediate, highest-need properties

- Clinton Peabody : RAD and/or Section 18 demo/dispo
- King Louis I and II : RAD
- Hodiament : Section 18 demo/dispo
- Lookaway : Section 18 dispo or Section 32 Homeownership program

Tier IB

Tier IB: Scattered-sites - Section 18 dispositions

- Armand & Ohio
- Cupples
- Lafayette Townhomes
- Towne XV
- Walnut Park

Tier IC

Tier IC: High-need properties – more funding & problem-solving needed

- Cambridge Heights I and II: RAD or Section 18 dispo
- Parkview: RAD or RAD/Section 18 Blend

SLHA STRATEGY – TIER 2 & 3 PROPERTIES

Tier 2

Tier 2: High-priority PH properties & all existing mixed-finance properties – RAD Conversions

- California Gardens
- Folsom
- McMillan Manor I & II
- Page Manor
- Samuel Shepherd
- All 16 existing mixed-finance properties

Tier 3

Tier 3: All other 12 PH properties – RAD Conversions

PORTFOLIO STRATEGY: TIER 1

Name of Property	AMP	# Units	Repositioning Option A	Repositioning Option B	Expected Financing	Notes	Tier
Tier 1A Immediate Projects							
King Louis Square I	47	36	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	LIHTCs	profit/for-profit development team is in process of acquiring this property and Phase II, and recently was awarded 4% LIHTCs for substantial rehab. Closing is estimated for 4thQ 2023, so this is a high priority project to reposition to RAD. SLHA and developers are actively preparing a RAD application.	1
King Louis Square II	49	44	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	LIHTCs	Development team acquiring King Louis Square I also acquiring this property, which has 148 units. Will plan to apply for LIHTCs in future, after Phase I is financed.	1
Clinton-Peabody	02	358	Section 18 Demolition-Disposition	RAD or RAD/Section 18 Blend	LIHTCs	SLHA is working with CNA provider to confirm it qualifies for obsolescence. This is SLHA's highest priority project for redevelopment. SLHA has procured a developer partner to undertake a large-scale redevelopment with LIHTCs, etc. Will work with developer to determine project structure/phases.	1
Hodiamont	41	22	Section 18 Demolition-Disposition	RAD	Small amount for closing costs	In very bad condition; now vacant - all residents have been transferred to other PH properties. SLHA doesn't know how it could be financed, so best option is S.18 for physical obsolescence and then sell to a 3rd party, potentially at below FMV to a community-based organization. SLHA is working with CNA provider to confirm it qualifies for obsolescence.	1
Lookaway	41	17	Section 18 disposition: Efficient use of resources (only get 25% TPVs + 75% HCVs from SLHA) or Section 32 Homeownership	RAD	Small amount for closing costs	Single-family homes on a cul-de-sac in the northern-most part of city, far from SLHA office. SLHA doing exterior repairs (ie siding) now. This is a good candidate for selling to homebuyers, possibly existing tenants with supports from community-based agencies.	1
Tier 1B Near-Term Projects: Scattered Sites S.18 Dispositions							
Armand & Ohio	38	4	Section 18 Disposition - Scattered Sites	RAD	Small amount for closing costs	Two parcels: one building with 3 units and one building with 1 unit. Could qualify for S.18 dispo as a scattered site.	1
Cupples	41	4	Section 18 Disposition - Scattered Sites	RAD	Small amount for closing costs	Quadrplex, 2 units on top and 2 units on bottom. Could qualify for S.18 dispo for scattered sites; SLHA will want to evaluate whether to keep in portfolio or sell. Neighborhood has vacant properties. 2 units w/ 3-BR units + 2 units w/ 4-BR units. The city needs larger sized units, so this may be a good reason to keep the property.	1
Lafayette Townhomes	38	38	Section 18 Disposition - Scattered Sites	RAD	Small amount for closing costs	Great location. Quadrexplexes (4-family buildings), near each other. Based on site maps, the units appear to qualify as scattered sites.	1
Towne XV	41	8	Section 18 Disposition - Scattered Sites	RAD	Small amount for closing costs	All single-story duplexes, not contiguous. Likely will qualify for Section 18 scattered sites option.	1
Walnut Park	41	13	Section 18 Disposition - Scattered Sites	RAD	Small amount for closing costs	Single-family houses; mostly not contiguous, but no more than 3 in a row. SLHA is doing "heavy unit turns." Want to keep in portfolio because these are larger units, mostly 4-BR units.	1
Tier 1C Last Stage Projects: Require Financing for Repairs & More Problem-Solving							
Cambridge Heights I and II	58 & 60	90	RAD or Section 18 disposition: Physical obsolescence	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	City funds and/or FHA 223(f) or other debt-only financing	Existing LIHTC mixed-finance property past Y15 that is not performing well; a very troubled property with a lot of deferred maintenance. SLHA is currently not the existing owner/developer; it is recommended that SLHA consider exercising its ROFR and oversee a recapitalization/rehab.	1
Parkview Elderly	19	295	RAD/Section 18 Blend (Substantial Rehab)	RAD	City funds and/or FHA 223(f) or other debt-only financing	Highrise, built in 1970 to be an elderly building. Current mix today is 60% non-elderly and there are crime/drug issues. Excellent location in the city; very close to good hospital. Would not qualify for physical obsolescence. Full rehab ~20 years ago, but many capital needs. Two-level parking deck in back had capital needs that were addressed, but long term needs must be taken care of. Goal is to eventually return to 100% elderly tenancy. Highest priority is to convert property to 100% senior residency and seek local funding to do moderate repairs, without LIHTCs. Need more problem-solving about how to transition to senior tenancy.	1

PORTFOLIO STRATEGY: TIER 2

Name of Property	AMP	# Units	Repositioning Option A	Repositioning Option B	Expected Financing	Notes	Tier
Tier 2 Projects: Higher Priority PH Properties & All Mixed-Finance Properties							
Public Housing Properties							
California Gardens	38	28	RAD	Maintain PH	City funds	One parcel in a great location. Needs moderate rehab.	2
Folsom	38	6	RAD	Maintain PH	City funds	In one building in a good location. Has plumbing issues, HVAC thefts, so needs moderate rehab.	2
McMillon Manor	41	20	RAD	Maintain as PH	None for rehab, PH funds for closing costs	Townhome blocks, take up a city block. 11 townhouse buildings; common party walls, a row, so contiguous. They are renovating now, so do not need substantial rehab. But there are design/construction issues (water pipes, etc).	2
McMillon Manor II	41	18	RAD	Maintain PH	PH funds for closing costs	Similar to McMillon Manor, adjacent.	2
Page Manor	41	10	RAD	Maintain PH	City funds	Townhouse, 3 buildings, 2 connected. Have a common courtyard. Built in 1970s, could use a rehab.	2
Samuel Shepherd	41	16	RAD	Maintain PH	City funds	Built in 1982, 4 or 5 buildings. Unit conditions are average, but needs substantial work for upgrades. Convenient location to downtown.	2
Mixed-Finance Properties							
Arlington Grove	63	70	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	Existing MF property not performing well.	2
King Louis Square III	52	24	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	LIHTCs	Mixed Finance property at end of Y15. SLHA owns the land and will continue to do so; they are not a JV owners. They don't plan to exercise their Right of First Refusal. SLHA wants the developers to take the lead.	2
Les Chateaux	48	40	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	A HOPE VI project next to Clinton Peabody. One (or two connected) building/s built in 2003. In decent condition, but could use rehab. It is recommended that SLHA consider any repositioning action in light/coordination with Clinton Peabody redevelopment plans. It is recommended that SLHA discuss RAD conversion possibility with them.	2
Murphy Park I	44	93	Section 18 Disposition: Physical obsole	RAD	TBD	rehabbed in 1997 and estimated to be built in late 1960s. SLHA owns the land and will continue to do so; they are not a JV owner in any of the sites. It is recommended SLHA discuss possible RAD conversions w MB for all three properties, in conjunction with them creating a rehabilitation strategy.	2
Murphy Park II	45	64	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Murphy Park I	2
Murphy Park III	46	65	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Murphy Park I	2
North Sarah	64	59	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	Existing MF properties in relatively good condition. MB is owner, SLHA has ground lease.	2
North Sarah II	65	46	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See North Sarah I	2
North Sarah III	66	35	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See North Sarah I	2
Renaissance Place at Grand	50	62	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	Renaissance properties are all HOPE VI mixed-finance properties near each other. They were developed in 2005 and 2006, so past their Y15 LIHTC compliance period. SLHA owns the land and will continue to do so; they are not a JV owner in any of the sites. It is recommended that SLHA start conversations with McCormack Baron about repositioning and recapitalization strategies. If any of the sites use 4% LIHTCs to undertake a substantial rehab, a RAD/S.18 Blend should be considered.	2
Sr. Living at Renaissance Pl	54	75	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2
Gardens at Renaissance Pl	55	22	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2
Cahill House	56	80	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2
Renaissance Pl @ Grand II	57	36	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2
Renaissance Place @ Grand II	59	50	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2
Sr. Living at Cambridge Height	62	75	RAD	RAD/Section 18 Blend if using 4% LIHTC and substantial rehab	TBD	See Renaissance Place at Grand	2

PORTFOLIO STRATEGY: TIER 3

Name of Property	AMP	# Units	Repositioning Option A	Repositioning Option B	Expected Financing	Notes	Tier
Tier 3 Projects: Existing PH Properties To Convert to RAD							
Badenhaus Elderly	28	100	RAD	Maintain PH	City funds for minor repairs & closing costs	Two-story building; has sewer issues.	3
Badenfest Elderly	28	21	RAD	Maintain PH	City funds for minor repairs & closing costs	Located in a corridor that has declined.	3
Cochran Plaza	37	78	RAD/Section 18 Blend (Substantial Rehab)	RAD	City funds for major repairs & closing costs	Has a 3-bay commercial space. Townhome/walk-up buildings; in need of substantial rehab. May want to use City Affordable Housing Trust Funds.	3
Euclid Plaza Elderly	13	108	RAD	Maintain PH	City funds for minor repairs & closing costs	Mid-rise elderly. In decent condition.	3
James House	10	126	RAD	Maintain PH	City funds for minor repairs & closing costs	an internal discussion about the pros & cons of each property in this tier staying in Public Housing or repositioning to S.8. Reviewing the financial position of each of these properties will be important: does the existing Op Sub + Cap Funds cover operations and needed repairs? Will future PH funds cover operations and needed repairs? If not, repositioning may be the best solution. If repositioning is chosen, RAD appears to be the only option available.	3
Kingsbury Terrace	61	120	RAD	RAD	FHA 223(f) or other debt-only financing	A 10-floor highrise built in 1971. In a very good location, a lot of new development occurring in the neighborhood. Want to keep in portfolio.	3
Lafayette Apartments	38	26	RAD	Maintain PH	None	One building in great location. In decent condition.	3
LaSalle Park	34	148	RAD	Maintain PH	City funds for minor repairs & closing costs	Family property, just finished its final phase of substantial rehab using Capital Funds. One site with multiple buildings.	3
Marie Fanger	38	6	RAD	Maintain PH	City funds for moderate repairs & closing costs	In one building in a good location. Has plumbing issues, so needs moderate rehab.	3
South Broadway	38	10	RAD	Maintain PH	City funds for moderate repairs & closing costs	Three buildings in southernmost neighborhood in the City. Needs light rehab (kitchens and baths).	3
Tiffany Turnkey	38	25	RAD	Maintain PH	City funds for moderate repairs & closing costs. Perhaps Historic Tax Credits.	Three buildings built in 1910, in need of moderate rehab. Good location, near hospital and highways. SLHA may want to consider Historic Tax Credits.	3
West Pine	17	99	RAD	Maintain PH	City funds for minor repairs & closing costs	Mid-rise family. In decent condition.	3

Year 1 Implementation: January 1, 2024 - December 31, 2024

- **King Louis I and II:**

- Submit RAD applications
- Close on financing and RAD Conversion: King Louis I

- **Clinton-Peabody:**

- Secure environmental reports and applicable approvals
- Secure Capital Needs Assessment
- Continue redevelopment planning with residents and master developer
- Prepare Section 18 application; secure Section 18 approval and apply for Tenant Protection Vouchers from HUD
- Close on financing and RAD/Section 18 for Phase I
- Collaborate with developer to apply for LIHTC financing for Clinton-Peabody Phase II
- Begin demolition/construction on Phase I

- **Hodiamont:**

- Secure environmental reports and applicable approvals
- Secure Capital Needs Assessment
- Prepare Section 18 application; secure Section 18 approval and apply for Tenant Protection Vouchers from HUD
- Close on Section 18 dispositions and sell/ transfer

- **Lookaway:**

- Secure environmental reports and applicable approvals
- Secure Capital Needs Assessment
- Prepare Section 18 application; secure Section 18 approval and apply for Tenant Protection Vouchers from HUD
- Close on Section 18 dispositions and sell/ transfer

- **Parkview:**

- Review options for repositioning (consult HUD as needed)
- Secure environmental reports and applicable approvals
- Secure Capital Needs Assessment
- Strategize and implement recapitalization plans