



In Conjunction With



# State Housing Manual

Revised 2025

## Introduction

**Purpose.** The purpose of this Manual is to provide the owner with a one source “guidebook” on the policies and procedures governing the management of State Financed Housing, specifically for properties under the State Sponsored Housing Portfolio (SSHP). This Manual supplements, but does not supersede the owner’s rights and responsibilities under the Statutes, Regulations, and Assistance Agreement between the owner and the Department of Housing (DOH) or the Connecticut Housing Finance Authority (CHFA).

**Applicability.** Owners with State Financed Housing that is subsidized by a Federal Rental Assistance program (e.g. the Section 8 New Construction/Substantial Rehabilitation, or Section 811 Project-based Rental Assistance programs) must adhere to policies and procedures required by the U.S. Department of Housing and Urban Development, where applicable.

**Questions.** Questions regarding this manual should be directed to the Office of Policy, Research and Housing Support at DOH or the SSHP Portfolio Management Division at CHFA.

## SUMMARY OF REVISIONS

Housing Manual original publication date: December 20, 2023

### January 16, 2024

1. Paragraph 9-28: Removed the exception for the Elderly and Congregate programs.

### April 5, 2024

1. Paragraph 9-1.e: Added clarification to Note regarding garnishments from family income.
2. Paragraph 9-10.f: Added clarification to Handicap Assistance and allowable expenses relating to assistance animals.

### June 6, 2024

1. Paragraph 11-11: Added Tenant Move-Out and Termination files to Minimum Record Retention Schedule.

### October 16, 2024

1. Paragraph 9-29.a: Amended deadline to return a Security Deposit after termination of tenancy.

### November 20, 2024

1. Paragraph 9-2.h: Added Medicare flex card funds to Exclusions from Family Income.

### February 4, 2025

1. Paragraph 1-4: Amended the Connecticut Fair Housing Regulations.

### March 12, 2025

1. Paragraph 11-23: Added Prohibition of Minors in State-Financed Elderly Housing.

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## Chapter 1

### CIVIL RIGHTS AND NONDISCRIMINATION REQUIREMENTS AND TENANT SELECTION

#### 1-1. Introduction

- a. Owners of CHFA/DOH multifamily/elderly properties are subject to several important federal civil rights laws affecting both admission and occupancy. These requirements seek to ensure that all applicants have equal access to affordable housing and that owners treat all tenants equitably. In addition, Connecticut has its own civil rights laws that affect rental housing.
- b. This chapter provides an overview of key federal civil rights and nondiscrimination requirements that pertain to admissions and occupancy in properties subject to this manual. It includes the State of Connecticut Statute and Regulations pertaining to Affirmative Fair Marketing, Outreach and Tenant Information. It also presents examples to help explain these requirements and notes on how to address circumstances when federal, state, and local requirements overlap.
- c. The remaining chapters in the guide will also refer to these requirements as they apply to the admissions or occupancy activities covered in that chapter.
- d. This chapter is organized into four sections:
  - **Section 1: Applicable Laws** provides an overview of key federal/civil rights laws relevant to occupancy. The State of Connecticut Statute and Regulations are included in this section.
  - **Section 2: Nondiscrimination Requirements Under the Fair Housing Act** summarizes the key nondiscrimination requirements established under the Fair Housing Act that are applicable to housing.
  - **Section 3: Additional Nondiscrimination and Accessibility Requirements for Persons with Disabilities** explains the requirements and procedures that owners must follow to ensure nondiscrimination and accessibility of their properties to persons with disabilities as required by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.
  - **Section 4: Housing Discrimination Complaints and Compliance Reviews** provides information about an owner's responsibilities in the event of a housing discrimination complaint and key references regarding fair housing compliance reviews.

**1-2. Key Terms**

- a. There are a number of technical terms used in this chapter that have very specific definitions established by federal statute or regulations, and/or by HUD.

These terms are listed in Figure 1-1 and their definitions can be found in the Glossary for this guide. It is important to be familiar with these definitions when reading this chapter.

- b. The terms “disability” and “persons with disabilities” are used in two contexts –for civil rights protections, and for program eligibility purposes. Each use has specific definitions.
  1. When used in context of protection from discrimination or improving the accessibility of housing, the civil rights-related definitions apply.
  2. When used in the context of eligibility under multifamily/elderly subsidized housing programs, the program eligibility definitions apply.

Definitions are different for civil rights purposes under federal and state law, with the state definition of disability being broader. The State definition includes physical or mental disabilities, lawful source of income, gender identity or expression, familial status and status as a veteran.

**Figure 1-1: Key Terms**

<ul style="list-style-type: none"> <li>• Accessible</li> <li>• Accessible route</li> <li>• Adaptability</li> <li>• Alteration</li> <li>• Auxiliary aids</li> <li>• Disability</li> <li>• Fair Housing Act</li> <li>• Familial status</li> </ul>	<ul style="list-style-type: none"> <li>• Federal financial assistance</li> <li>• Federally assisted housing</li> <li>• Person with disabilities (as defined for civil rights protections)               <ul style="list-style-type: none"> <li>• Prohibited bases</li> </ul> </li> <li>• Qualified persons with disabilities               <ul style="list-style-type: none"> <li>• Recipient</li> <li>• Section 504</li> <li>• Title VI – D</li> </ul> </li> </ul>
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## Section 1: Applicable Laws

### 1-3. Key Regulations and Statute

Both State and Federal fair housing statutes and regulations may apply. Where there is a conflict, the more stringent law shall apply.

### 1-4. Connecticut Fair Housing Regulations (Effective February 4, 2025)

Sec. 1. The Regulations of Connecticut State Agencies are amended by adding sections 8-37ee-401 to 8-37ee-910, inclusive, as follows:

#### (NEW) Sec. 8-37ee-401. Definitions

As used in subtitle 8-37ee of the Regulations of Connecticut State Agencies:

- (1) “Affirmative fair housing marketing plan” means the information provided by an entity, in a form and manner prescribed by the housing agency, setting forth its plan to comply with the requirements set forth in Parts 1 to 3, inclusive, of subtitle 8-37ee of the Regulations of Connecticut State Agencies, as required by section 8-37ee-502 of the Regulations of Connecticut State Agencies.
- (2) “Applicant” means an individual who submits an application to a housing agency in connection with a housing opportunity.
- (3) “Affirmatively further fair housing” means taking 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.
- (4) “Department” means the Department of Housing.
- (5) “Entity” means an organization that applies for or receives state financial assistance from a housing agency or contracts with a housing agency to administer a program on behalf of the housing agency.
- (6) “Housing agency” has the same meaning as provided in section 8-37aa of the Connecticut General Statutes.
- (7) “Housing opportunity” means the availability of assistance with housing, either through the provision of a unit of housing for rental or ownership, or a rental subsidy, or both, funded in whole or part by a housing agency.
- (8) “HUD” means the United States Department of Housing and Urban Development or its successor agency.
- (9) “Least likely to apply” means those persons who, in the main, are members of a demographic group that is numerically in a minority in the geographic area of the housing opportunity, as reviewed and approved by the housing agency with respect to each housing opportunity, and thus need additional dissemination of information to inform them of the housing opportunity.

- (10) “Metropolitan Statistical Area” means such areas as defined by HUD.
- (11) “New housing opportunity” means a housing opportunity arising from the construction of new housing units funded in whole or part by a housing agency, or the creation of a new subsidy program to benefit individual renters or homeowners.
- (12) “Preference” means identified criteria used to select applicants from the waitlist for a housing opportunity.
- (13) “Primary Metropolitan Statistical Area” means such areas as defined by HUD.
- (14) “Waitlist” means a listing of applicants for a housing opportunity that includes a waitlist number, a control number, and the status of the application, and may also include unit size sought and any preferences established as set forth in section 8-37ee-807 of the Regulations of Connecticut State Agencies.

**(NEW) Sec. 8-37ee-402. Applicability**

- (a) As set forth in section 8-37ee(a) of the Connecticut General Statutes, the fair housing requirements set forth in subtitle 8-37ee of the Regulations of Connecticut State Agencies shall apply to all entities participating in any program administered by a housing agency.
- (b) Where a housing agency uses funding for the development or rehabilitation of housing units, the requirements set forth in subtitle 8-37ee of the Regulations of Connecticut State Agencies shall apply to the development or rehabilitation of:
  - (1) A subdivision, as defined in section 8-18 of the Connecticut General Statutes, or multifamily developments of five (5) or more lots or units; or
  - (2) Five (5) or more scattered site dwelling units, whether part of a single housing opportunity or multiple housing opportunities.
- (c) The department may waive any non-statutory requirements imposed by subtitle 8-37ee of the Regulations of Connecticut State Agencies. Requests for a waiver shall be in writing and addressed to the department. The department shall only grant such waiver with sufficient evidence that:
  - (1) The strict enforcement of such requirements results in exceptional difficulty or unusual hardship not caused by the entity;
  - (2) The benefit to be gained by waiver of the requirements outweighs the detriment which shall result from enforcement, if any;
  - (3) The waiver is in harmony with affirmatively furthering fair housing with respect to all applicable state, federal and local fair housing laws and regulations; and
  - (4) The waiver is in the best interest of the state.

**(NEW) Secs. 8-37ee-403 – 8-37ee-500. Reserved.**

## Part 1

### Affirmative Fair Housing Marketing Requirements

#### (NEW) Sec. 8-37ee-501. Characteristics of affirmative fair marketing programs

Each entity shall meet the following requirements or, if it contracts marketing responsibility to another party, be responsible for that party's carrying out the following requirements:

- (a) Create and implement an affirmative fair housing marketing plan to attract buyers, tenants, applicants, or participants that are least likely to apply to the housing opportunity for initial or ongoing sale, rental, or participation in programs administered by the entity. An entity shall have an affirmative fair housing marketing plan in effect for all housing opportunities throughout the term of the use restriction concerning such housing opportunity recorded on the municipal land records, assistance agreement or regulatory agreement for an entity receiving state financial assistance from a housing agency, or at any time during the period an entity is subject to the terms of a contract with a housing agency to administer a program on behalf of a housing agency, as applicable. An entity shall include in its affirmative fair housing marketing plan a carefully documented assessment of the groups that are least likely to apply and a clearly articulated affirmative marketing policy and effort to disseminate information to those groups, including a determination of whether translation of materials into language or languages other than English is necessary. An entity's marketing efforts shall include a HUD-approved fair housing logo, slogan or statement and all advertising depicting persons shall depict persons of diverse demographic groups.
- (b) Maintain a policy in compliance with all applicable equal opportunity and nondiscrimination legal requirements when recruiting for staff to be engaged in the sale or rental of properties or the administration of housing opportunities.
- (c) Instruct all employees and agents of the entity, in writing and orally, of the entity's policy of nondiscrimination and fair housing with respect to all applicable state, federal and local fair housing laws and regulations.
- (d) Consider the application of any eligible buyers, tenants, applicants, or participants who the housing agency has referred to the entity.
- (e) Prominently display, in all offices in which sale, rental, or administrative activity pertaining to housing opportunities occurs, a fair housing poster approved by the Commission on Human Rights and Opportunities that includes reference to protected classes under Connecticut law, and include the HUD-approved fair housing logo, slogan or statement in any printed material the entity uses in connection with sales, rentals, and participation in programs administered by the entity.

#### (NEW) Sec. 8-37ee-502. The affirmative fair housing marketing plan

Each entity to which subtitle 8-37ee of the Regulations of Connecticut State Agencies applies shall provide, on a form and in the manner prescribed by the housing agency, information stating that its affirmative fair housing marketing plan complies with the requirements set forth in Parts 1 to 3, inclusive, of subtitle 8-37ee of the Regulations of Connecticut State Agencies. The entity shall make the affirmative fair housing marketing plan, once approved by the housing agency, available for public inspection at the sales or rental office of the entity or the office where the specific housing opportunity is administered.

**(NEW) Secs. 8-37ee-503 – 8-37ee-600. Reserved.**

## Part 2

### Affirmative Fair Housing Marketing

#### (NEW) Sec. 8-37ee-601. Affirmative fair housing marketing process

##### (a) Assessing affirmative marketing needs

Affirmative fair housing marketing plans shall identify the group or groups least likely to apply for the housing opportunity through the submission of relevant demographic data. Entities may derive data from the U.S. Census, municipal sources, regional planning agencies, civil rights groups, fair housing officers, social service agencies, federal sources, state planning documents or reports, and like organizations and sources. Entities shall clearly identify the documentation of any sources for such data.

##### (b) Affirmative marketing outreach

- (1) Mechanisms – Affirmative fair housing marketing plans shall determine and identify the most appropriate ways in which the entity shall disseminate information to potential applicants, which may include: newspaper, radio, television, and other electronic and non-electronic media advertisements as well as flyers and announcements to social service agencies and other organizations with the desire and capacity to inform potential applicants of the availability of housing opportunities. These mechanisms or organizations shall represent those most likely to be read, heard, seen by, or in contact with potential applicants least likely to apply.
- (2) Locale – Affirmative fair housing marketing plans shall provide for the dissemination of information at a minimum in (A) the largest city located in the nearest Primary Metropolitan Statistical Area or Areas or Metropolitan Statistical Area or Areas, (B) the Regional Council of Governments planning region in which the entity is located, as defined by section 4-124i of the Connecticut General Statutes, and (C) any other areas where those least likely to apply may reside.
- (3) Time frame – Affirmative fair housing marketing plans shall identify the time frame, duration, and frequency of the mechanisms for the dissemination of information set forth in subdivision (1) of this subsection. At a minimum, affirmative fair housing marketing shall begin ten (10) business days prior to general marketing of the housing opportunity.
- (4) Content – Affirmative fair housing marketing plans shall identify the content of the materials to be disseminated to potential applicants which at a minimum shall: (A) identify the location of the housing opportunity; (B) describe the housing opportunity; (C) identify when the application process shall begin and end; (D) encourage all potentially eligible applicants to apply; (E) include a contact person and telephone number; (F) display the fair housing logo and clearly state the entity's commitment to fair housing and non-discrimination in accordance with all applicable state, federal and local fair housing laws and regulations; (G) where there is any advertising depicting persons, depict persons of diverse demographic groups; (H) include a fair housing policy statement that satisfies the requirements of section 8-37ee-602 of the Regulations of Connecticut State Agencies; and (I) set forth how persons with disabilities may request a

reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes.

- (5) Community contacts – Affirmative fair housing marketing plans shall identify community contacts, which contacts shall include individuals and organizations that are well known in the area and that can communicate with and assist those least likely to apply. These individuals and organizations may include, without limitation, religious organizations, housing counseling groups, legal services organizations, labor unions, minority and women’s organizations, shelters, social service agencies, housing authorities, or town officials. Entities shall provide each community contact appropriate materials, as described in subdivision (4) of this subsection, with additional instructions, if necessary.
- (6) Counseling and application assistance – Affirmative fair housing marketing plans shall provide that either the contact person or a housing counseling organization, fair housing officer or other similar party is trained in all applicable state, federal and local fair housing laws and regulations and the requirements of any such law or regulation and is ready and willing to assist all potential applicants, including those least likely to apply, and those who may need reasonable accommodation, with the application process.
- (7) Follow-up – Affirmative fair housing marketing plans shall provide for follow-up meetings or reports from the various organizations and individuals listed in subdivision (5) of this subsection in order to evaluate the effectiveness of the affirmative fair housing marketing. Where organizations determine that few potential applicants who are among the groups least likely to apply are displaying an interest, the entity, in coordination with the organizations and individuals shall consider alternative approaches set forth in subdivision (1) of this subsection.

**(NEW) Sec. 8-37ee-602. Fair housing policy statement and publication**

- (a) Any entity subject to subtitle 8-37ee of the Regulations of Connecticut State Agencies shall adopt a fair housing policy statement prior to the receipt of housing agency funds, which statement shall include the following:
  - (1) The entity’s commitment to promote fair housing choice and not to discriminate against any person as prohibited in sections 46a-64c, 46a-80c and 46a-81e of the Connecticut General Statutes. The entity shall specifically include the provisions of sections 46a-64c, 46a-80c and 46a-81e of the Connecticut General Statutes in the statement.
  - (2) The entity’s commitment to promote demographic diversity in any housing opportunity developed or supported with housing agency funds the entity seeks or the entity’s commitment to seek beneficiaries from diverse demographic groups as well as all protected classes identified by sections 46a-64c, 46a-80c and 46a-81e of the Connecticut General Statutes, and to seek a broad range of income eligible beneficiaries, whichever provision is relevant to the kinds of services provided by the entity.

- (3) The name, title and contact information of the person assigned to ensure compliance with fair housing requirements.
  - (4) A discrimination complaint procedure which complies with the discrimination complaint procedure set forth in Part 3 of Chapter 814c of the Connecticut General Statutes, including a description of how a person with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes.
- (b) Before dissemination, the entity's Board President or other authorized individual shall sign the fair housing policy statement and the entity shall obtain the approval of the housing agency of the statement.
  - (c) The entity shall prominently post the fair housing policy statement in the entity's offices in print and shall make the statement available electronically on the entity's social media sites or Internet web sites and also on the property where building or rehabilitation is taking place, as applicable.

**(NEW) Sec. 8-37ee-603. Modification of requirements**

- (a) In the event that another funding program imposes fair housing requirements on an entity that differ from those set forth in subtitle 8-37ee of the Regulations of Connecticut State Agencies, and the housing agency determines that those requirements impose additional obligations on the entity to the requirements set forth in subtitle 8-37ee of the Regulations of Connecticut State Agencies, the entity shall follow the more stringent requirements.
- (b) Where federal sources are also funding the housing opportunity, the entity shall also comply with all applicable federal fair housing regulations.
- (c) Where the housing agency is funding minor rehabilitation, as such term is defined in accordance with the relevant housing opportunity, the entity shall consult with the housing agency, which shall determine applicability of these requirements.

**(NEW) Sec. 8-37ee-604. Post-occupancy affirmative marketing**

Following the initial period of lease-up, each entity shall continue to affirmatively market all applicable housing opportunities to those least likely to apply for the term of the use restriction concerning such housing opportunity recorded on the municipal land records, assistance agreement or regulatory agreement. All entities shall make every good faith effort to maintain a demographically diverse housing development.

**(NEW) Secs. 8-37ee-605 – 8-37ee-700. Reserved.**

## Part 3

### Affirmative Fair Housing Marketing Compliance

#### (NEW) Sec. 8-37ee-701. Requisite approvals, notifications, and reports

- (a) For new housing opportunities, the entity shall submit an initial affirmative fair housing marketing plan and tenant selection plan as required by section 8-37ee-901 of the Regulations of Connecticut State Agencies at least ninety (90) days prior to implementation of such plans.
- (b) For new housing opportunities, upon receipt of an initial affirmative fair housing marketing plan and tenant selection plan from the entity, the housing agency shall review each plan and, if the housing agency deems necessary, may schedule a preoccupancy conference. If necessary, the housing agency shall hold such preoccupancy conference prior to initiation of sales, rental, or other marketing activities. At the preoccupancy conference, the housing agency shall review the most recent previously approved plans with the entity to determine if the entity is required to modify the plans or their proposed implementation prior to initiation of marketing in order to achieve the objectives of subtitle 8-37ee of the Regulations of Connecticut State Agencies and the plans.
- (c) For existing housing opportunities, the entity shall submit any modifications made to plans to the respective housing agency for review and approval at least sixty (60) days prior to implementation.
- (d) Entities shall be required to collect data as identified in section 8-37bb of the Connecticut General Statutes from tenants, participants and persons on waitlists. The entity shall analyze the data collected as required by section 8-37bb of the Connecticut General Statutes and shall report such data to the housing agency annually, consistent with the requirements of and timeframes set forth by section 8-37bb or section 8-37qqq(a)(4)(B) of the Connecticut General Statutes, as applicable.

#### (NEW) Sec. 8-37ee-702. Complaints

Any person may file a complaint or complaints alleging violations of subtitle 8-37ee of the Regulations of Connecticut State Agencies or an approved affirmative fair housing marketing plan with the housing agency. The housing agency shall evaluate all complaints and take appropriate action which may include, without limitation, a compliance meeting. The entity's affirmative fair housing marketing plan shall set forth how persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes, to provide such persons with an opportunity to file a complaint under this section.

#### (NEW) Sec. 8-37ee-703. Compliance meeting

- (a) If an entity fails to comply with the affirmative fair housing marketing plan requirements or it appears to the housing agency that the entity may not achieve the goals of the plan or that the implementation of the plan should be modified, the housing agency may schedule a compliance meeting with the entity.

- (b) The purpose of the compliance meeting is to review the entity's compliance with the affirmative fair housing marketing plan requirements and the implementation of the plan and to indicate any changes or modifications which may be required in the entity's plan.
- (c) The housing agency shall send a notice of the compliance meeting to the last known address of the entity by electronic or other means. The notice shall advise the entity of the right to respond not more than ten (10) business days after the date of the notice to the matters identified as subjects of the meeting and to submit information and relevant data evidencing compliance with subtitle 8-37ee of the Regulations of Connecticut State Agencies and the affirmative fair housing marketing plan.
- (d) The entity shall provide, prior to or at the compliance meeting, specific documents, records and other information relevant to compliance. Such information shall include, at a minimum:
  - (1) Copies of all advertising in the relevant geographic areas as appropriate, including newspaper, radio, television, and electronic advertising;
  - (2) A photograph of the sale or rental sign at the site of construction, if applicable;
  - (3) A copy of the brochures and other printed materials used in connection with sales, rental, or participation in programs administered by the entity;
  - (4) Evidence of affirmative marketing to groups which are least likely to apply for the subject housing opportunity;
  - (5) Evidence of instructions to the entity's employees with respect to the entity's policy of nondiscrimination;
  - (6) A description of training conducted with the entity's staff;
  - (7) Evidence of nondiscriminatory hiring and recruiting policies for the entity's staff engaged in the sale, rental, or administration activities;
  - (8) Copies of applications and waiting lists of prospective buyers, renters, and participants maintained by the entity;
  - (9) Copies of sign-in lists maintained for prospective buyers and renters that expressed interest in the housing opportunities, if applicable;
  - (10) Copies of selection and screening criteria; and
  - (11) Copies of relevant sales or lease agreements.
- (e) Based on the information provided pursuant to subsection (d) of this section, the housing agency shall notify the entity not more than twenty (20) business days after the compliance meeting whether the entity is in compliance with subtitle 8-37ee of the Regulations of Connecticut State Agencies or affirmative fair housing marketing plan, or if the matters raised at the compliance meeting cannot be resolved.

- (f) If the entity cannot resolve the matters raised at the compliance meeting, the housing agency may conduct a comprehensive compliance review as set forth in section 8-37ee-704 of the Regulations of Connecticut State Agencies.
- (g) If the entity fails to attend the scheduled compliance meeting, the housing agency shall notify the entity no later than ten (10) business days after the date of the scheduled meeting, in writing, by electronic means or otherwise, and shall advise the entity as to whether a comprehensive compliance review shall be conducted.

**(NEW) Sec. 8-37ee-704. Compliance reviews**

- (a) The housing agency or its agent may conduct compliance reviews.
- (b) Even in the absence of a complaint or other information indicating noncompliance, the housing agency may conduct periodic compliance reviews throughout the term of the applicable use restriction concerning such housing opportunity recorded on the municipal land records, assistance agreement, or regulatory agreement for an entity receiving state financial assistance from a housing agency, or at any time during the period an entity is subject to the terms of a contract with a housing agency to administer a program on behalf of a housing agency.
- (c) The purpose of a compliance review is to determine whether the entity is in compliance with the housing agency's requirements and the approved affirmative fair housing marketing plan. The housing agency shall give the entity at least five (5) business days notice of the time set for any compliance review and the place or places for such review.
- (d) The compliance review shall cover the following areas:
  - (1) Sales and rental practices, including practices in soliciting buyers, tenants, applicants, and participants, determining eligibility, selecting and rejecting buyers, renters, and participants and concluding sales and rental transactions, where applicable;
  - (2) Activities to attract demographically diverse buyers, renters, and participants, including the use of advertising media, brochures, pamphlets, and fair housing posters;
  - (3) Data relating to the size and location of units, services provided, sales or rental price ranges and other matters relating to the marketing of housing opportunities;
  - (4) The demographic composition of buyers, renters or participants; and
  - (5) The demographic composition of staff engaged in the sale or rental of housing opportunities.
- (e) If, at of the time of the compliance review, the entity has not submitted the materials identified in section 8-37ee-703(d) of the Regulations of Connecticut State Agencies, the housing agency may request that the entity provide such materials at the time of the compliance review.
- (f) Following the compliance review, the housing agency or its agent shall prepare a report and provide a copy of such report to the entity.

- (g) Whenever a finding of noncompliance is made, the report prepared by the housing agency or its agent shall list specifically the violations found and shall indicate that the entity shall have thirty (30) business days to appeal such findings and request a hearing with the housing agency pursuant to section 8-37ee-705 of the Regulations of Connecticut State Agencies.
- (h) If the entity does not appeal a finding of noncompliance, the housing agency shall coordinate with the entity to achieve compliance and may invoke the terms of default set forth in the specific financial agreement between the entity and the housing agency governing the applicable financial assistance or program.

**(NEW) Sec. 8-37ee-705. Hearings**

- (a) An entity may request a hearing in connection with a finding of noncompliance following a compliance review pursuant to section 8-37ee-704 of the Regulations of Connecticut State Agencies.
- (b) The housing agency shall hold all hearings pursuant to Part 3 of subtitle 8-37ee of the Regulations of Connecticut State Agencies in accordance with the Uniform Administrative Procedure Act, section 4-166 et seq. of the Connecticut General Statutes.

**(NEW) Sec. 8-37ee-706. Annual monitoring**

- (a) Each entity shall submit annual updates on whether the entity's goals as set forth in its affirmative fair marketing plan have been met and whether each entity has been able to sustain its goals. The entity shall submit such annual update not later than March 1, annually.
- (b) Upon review of the information submitted under subsection (a) of this section, the housing agency may schedule a compliance meeting or compliance review and may require remedial action as the housing agency deems necessary.
- (c) Each entity shall retain all records of all affirmative fair marketing, tenant selection, and waitlists for at least five (5) years or the time period set forth in any applicable agreement with the housing agency.
- (d) The housing agency may monitor entities on a yearly basis for compliance with the provisions of subtitle 8-37ee of the Regulations of Connecticut State Agencies and may be subject to additional on-site monitoring.

**(NEW) Secs. 8-37ee-707 – 8-37ee-800. Reserved.**

## Part 4

### Applications and Waitlists

#### Application Process

#### (NEW) Sec. 8-37ee-801. Application process for initial occupancy or participation

- (a) Entities shall provide an application period for any housing opportunity that extends for at least ninety (90) days before initial occupancy or participation in a program administered by the entity for a new housing opportunity. The entity shall establish an application deadline which sets forth the date by which all applications shall be completed and returned. The entity shall not consider applications received after the deadline unless: (1) there is an insufficient number of initial applicants; or (2) the housing agency determines that more affirmative marketing is necessary.
- (b) Entities shall create and use a standard application form that conforms with all applicable state and federal laws and make available a copy of such application if requested by the housing agency.
- (c) Entities shall provide the opportunity for any person seeking to apply for any housing opportunity during the application period to do so.
- (d) Applications shall set forth how persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes to provide such persons with an opportunity to apply.
- (e) Entities shall date and time stamp each application received upon receipt. Entities shall give each applicant a receipt with the date and time on it upon request.
- (f) Entities shall assign a control number to each application received.
- (g) Entities shall create a separate record for each application. The record contents shall be considered confidential.
- (h) An entity may begin application evaluation upon receipt of applications at its discretion consistent with the requirements of Part 5 of subtitle 8-37ee of the Regulations of Connecticut State Agencies.

#### (NEW) Sec. 8-37ee-802. Insufficient number of least likely to apply applicants

- (a) If the housing agency finds, at any time, that there is an insufficient number of least likely to apply applicants due to a lack of evidence of efforts of good faith affirmative fair housing marketing, it shall have the right to require additional marketing by the entity until such time as the housing agency determines that a sufficient effort has been expended or a sufficient number of applicants is available. Such additional marketing may delay the initial creation of a waitlist.
- (b) Where the housing agency determines that sufficient evidence of good faith efforts exists and there is still an insufficient number of eligible applicants who are least likely to

apply, the housing agency may permit the entity to rent or sell units or extend participation in the program administered by the entity to other eligible applicants.

- (c) The housing agency’s determination of the entity’s good faith efforts shall include, without limitation, substantiating: that the dissemination of information to potential applicants included in its affirmative fair housing marketing plan was actually completed; that such efforts met time and durational requirements; that the marketing approach was amended or enhanced when found deficient; and that there were particular local, regional, or market reasons for the failure of the affirmative fair housing marketing plan to attract a sufficient pool of applicants who are least likely to apply. The entity shall develop and maintain adequate documentation of its good faith efforts in a manner prescribed by the housing agency.

**Waitlist Requirements**

**(NEW) Sec. 8-37ee-803. How waitlists are created**

- (a) After the tenant application period is closed consistent with section 8-37ee-801(a) of the Regulations of Connecticut State Agencies, each entity shall create, maintain and revise a list of applications as set forth in Part 4 of subtitle 8-37ee of the Regulations of Connecticut State Agencies.
- (b) The entity shall compile all control numbers assigned to applications as set forth in section 8-37ee-801(f) of the Regulations of Connecticut State Agencies and shall assign a numerical position to each application on the waitlist by random selection. The randomly-selected numerical position shall constitute an applicant’s number on the waitlist. The entity shall maintain a master list correlating the control number of each application on the waitlist with the underlying application.

**(NEW) Sec. 8-37ee-804. Maintenance of waitlists**

- (a) Entities shall maintain waitlists in the randomly-selected order by which the applicants have been assigned. The waitlist shall include columns for the waitlist number, the control number, and the status of the application and may also include the unit size sought and any preferences established by the entity, as set forth in section 8-37ee-807 of the Regulations of Connecticut State Agencies.
- (b) Sample waitlist

<b>-SAMPLE ONLY-</b>					
<b><u>Waitlist In Rank Order</u></b>					
<u>Rank</u>	<u>Control Number</u>	<u>Application Date</u>	<u>Bedrooms Requested</u>	<u>Current Status</u>	
1	A439	3/1/2015	Any	Housed	
2	A830	3/1/2015	Any	Ineligible	
3	A090	3/1/2015	2 Bedroom	Refused Unit Offered (1)	
4	A843	3/1/2015	1 Bedroom	Housed	
5	A999	3/1/2015	Any	Withdrew – Applicant	
6	A002	3/1/2015	Any	Withdrew – Purge	
7	A038	3/1/2015	Any	Housed	

8	A227	3/1/2015	2 Bedroom	Refused Unit Offered (3) – Purge
9	B624	7/1/2016	2 Bedroom	
10	B111	7/1/2016	1 Bedroom	
11	B090	7/1/2016	1 Bedroom	
12	B783	7/1/2016	2 Bedroom	
13	B892	7/1/2016	1 Bedroom	
14	C323	12/1/2017	1 Bedroom	
15	C112	12/2/2017	2 Bedroom	
16	C060	12/3/2017	3 Bedroom	
17	C743	12/4/2017	Any	
18	C220	12/4/2017	Any	

- (c) Each entity shall keep and maintain all waitlists, including revisions of such lists, in its custody at its regular office or place of business in a location that can be accessed by the public during regular business hours.

**(NEW) Sec. 8-37ee-805. Opening a new tenant application period**

- (a) When the entity elects to commence a new tenant applicant application period, the entity shall announce notice of such action in accordance with the advertising and marketing activities described in the latest approved affirmative fair housing marketing plan.
- (b) Entities that elect to market on a continuous basis may, in lieu of the notice referenced in subsection (a) of this section, include in such continuous marketing materials or in the application, notice of the schedule by which application periods open and close.
- (c) Entities shall schedule application periods as frequently as necessary to manage their waitlist with sufficient applicants to ensure timely occupancy of vacant units or participation in the program administered by the entity in available housing opportunities.
- (d) All application periods shall have clear opening and closing dates. After the closing of any application period, entities shall use applications received during that period to generate a waitlist as set forth in section 8-37ee-803(b) of the Regulations of Connecticut State Agencies. When an application period is closed, the entity shall not take additional applications and shall notify anyone inquiring about occupancy of the closure.
- (e) Entities shall append a waitlist generated from a new application period after the last applicant in the existing waitlist with applicants from the new application period to follow, in numerical order, after previously existing entries.
- (f) An entity may close the application period prior to the application deadline for one (1) or more unit sizes when the number of applications received exceeds the number of housing opportunities available by at least three (3) times, and at least twenty (20) percent of applicants are least likely to apply, as defined in the entity’s affirmative fair housing marketing plan. The entity may include in the notice of the opening of the application period that the application period may be closed early. The entity shall publicize any early closure of the application period in the same manner the notice of the opening of

the application period was publicized, in accordance with the entity's affirmative fair housing marketing plan.

**(NEW) Sec. 8-37ee-806. Filling from the waitlist**

- (a) Within its area of operation, each entity shall use its waitlist to fill vacant dwelling units or available housing opportunities.
- (b) Once the waitlist sequence is determined, entities shall select applicants from the waitlist in order, matching households to units according to household size and number of bedrooms, other than where preferences are applied, as set forth in section 8-37ee-807 of the Regulations of Connecticut State Agencies.
- (c) When an entity selects applicants from the waitlist based on the numerical sequence of the waitlist or the application of preferences, as appropriate, the entity shall determine the eligibility of the applicant to be housed, as set forth in sections 8-37ee-905 and 8-37ee-906 of the Regulations of Connecticut State Agencies.

**(NEW) Sec. 8-37ee-807. Assigning preferences**

- (a) Assigning preferences to applicants who meet certain criteria is a method intended to provide housing opportunities to applicants based upon household characteristics. Entities may identify categories of preference for the selection of tenants subject to the approval of the housing agency, in accordance with all applicable federal, state, and local fair housing and civil rights laws.
- (b) Entities shall inform all applicants about available preferences and give all applicants an opportunity to show that they qualify for available preferences.
- (c) If an entity identifies a category or categories of preferences for the selection of tenants approved by the housing agency, the entity shall denote such preferences on the waitlist entry for applicants who qualify for such preference or preferences at the time of their application. The entity shall re-evaluate an applicant's qualification for such preference or preferences at the time of tenant selection, pursuant to section 8-37ee-904(a) of the Regulations of Connecticut State Agencies.
- (d) Entities shall inform all applicants of the way in which persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes to provide such persons with an opportunity to show that they qualify for available preferences.
- (e) Although an entity may establish preferences to admit households with specific characteristics from the waitlist, the entity shall not deny applicant selection or assistance based upon an applicant's membership in a protected class set forth in section 46a-64c, 46a-80c or 46a-81e of the Connecticut General Statutes.
- (f) The entity's application of preferences shall comply with all applicable federal, state and local fair housing and civil rights laws and with all applicable civil rights related program requirements.

**(NEW) Sec. 8-37ee-808. Management of waitlists**

- (a) Each entity shall manage and update its waitlist from time to time, not less frequently than every two (2) calendar years, so as to reflect the most current status of applicants.
- (b) Entities shall regularly monitor the vacancies in their properties and other housing opportunities in correlation with their waitlists to ensure that there are enough applicants to fill the housing opportunities.

**(NEW) Sec. 8-37ee-809. Access to waitlists**

Entities shall allow any person to inspect waitlists promptly during regular office or business hours, or to receive a copy of such lists, subject to any limitations set forth in section 8-345d of the Connecticut General Statutes.

**(NEW) Secs. 8-37ee-810 – 8-37ee-900. Reserved.**

**Part 5**  
**Tenant Selection**

**(NEW) Sec. 8-37ee-901. Tenant selection plan**

- (a) Entities shall develop a written tenant selection plan that describes the tenant selection process the entity intends to use. An entity shall include in such plan, at a minimum, the following:
  - (1) Descriptions of eligibility requirements for selection;
  - (2) A list of any preferences the entity shall apply and the procedures for applying any such preferences;
  - (3) Applicant screening criteria and the grounds on which the entity may reject applicants;
  - (4) Procedures for the entity's selection of applicants from the waitlist;
  - (5) A policy for opening and closing application periods for the waitlist;
  - (6) Unit transfer policies, including selection of in-place residents versus applicants from the waitlist when vacancies occur and the application of the unit transfer policy where reasonable accommodation is granted;
  - (7) The method for selection of a hearing officer or hearing panel as set forth in section 8-37ee-907(b)(1) of the Regulations of Connecticut State Agencies;
  - (8) Applicable state, federal and local fair housing laws and regulations and nondiscrimination requirements; and
  - (9) The procedures through which persons with disabilities can request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes.
- (b) Entities shall review tenant selection plans not less than once every five (5) years from the adoption of the most recent tenant selection plan to ensure that they reflect current operating practices and program priorities.
- (c) Entities shall allow any person to inspect a tenant selection plan promptly during regular office or business hours, or to receive a copy of such lists, subject to any limitations set forth in section 8-345d of the Connecticut General Statutes.

**(NEW) Sec. 8-37ee-902. Occupant guideline**

- (a) Entities shall use the following guideline to determine the minimum applicable bedroom size for the applicant household:

Bedroom Size	Minimum Applicant Household
00 (single room occupancy)	1
0 (efficiency unit)	1
1	1
2	2
3	3
4	5

(b) The State Building Code shall govern maximum occupancy of a unit.

**(NEW) Sec. 8-37ee-903. Selection from waitlist**

- (a) When a housing opportunity becomes available, the entity shall select the next applicant from the waitlist based on the occupant guideline, set forth in section 8-37ee-902 of the Regulations of Connecticut State Agencies, applicable preferences, if any, income-targeting policies and requirements, and screening policies applied by the entity. The entity shall select the first applicant on the waitlist for the appropriate housing opportunity and make a determination of eligibility and suitability for tenancy based on the applicant screening provisions contained in section 8-37ee-909 of the Regulations of Connecticut State Agencies.
- (b) The entity shall select an applicant from the waitlist at least thirty (30) days before a housing opportunity is available to prevent vacancies.

**(NEW) Sec. 8-37ee-904. Applying preferences to tenant selection**

- (a) Entities shall select applicants in the order of the waitlist, applying those with preferences first in the order they appear on the waitlist, and consistent with the occupant guideline set forth in section 8-37ee-902 of the Regulations of Connecticut State Agencies.
- (b) If an entity elects to adopt more than one preference, a ranking, rating, or combination of preferences shall be identified in the tenant selection plan and consistently applied.
- (c) If an entity determines that there are an insufficient number of applicants eligible to fill all the housing opportunities for which a preference is applicable, the entity shall make such remaining housing opportunities available in accordance with the waitlist to eligible applicants that remain without regard to the preferences established.

**(NEW) Sec. 8-37ee-905. Eligibility**

When an applicant is selected from the waitlist, the entity shall determine the applicant’s eligibility to ensure the applicant meets all of the criteria for the housing opportunity.

**(NEW) Sec. 8-37ee-906. Ineligible applicants**

- (a) The entity shall notify applicants deemed ineligible for a housing opportunity, for whatever reason or reasons, in writing not more than five (5) business days after such determination, except as otherwise set forth in section 17b-812-14 of the Regulations of Connecticut State Agencies, of the reason or reasons for such determination of ineligibility, including sufficient specific and detailed information concerning the reasons for the denial, and of their right to request a hearing and to informally contest the determination. Such written notice shall include the deadline for requesting a hearing and for informally contesting the determination, the process for requesting a hearing and for informally contesting the determination, the right to request all documents and information relied upon in determining ineligibility, and the process for persons with disabilities to request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes.
- (b) Applicants determined to be ineligible for a housing opportunity who request a hearing shall be entitled to a hearing before the entity's hearing officer or hearing panel, as applicable, as set forth in sections 8-37ee-907 and 8-37ee-908 of the Regulations of Connecticut State Agencies, except as otherwise set forth in section 17b-812-14 of the Regulations of Connecticut State Agencies.
- (c) Concurrent with the right to request a hearing, applicants determined to be ineligible for a housing opportunity shall have ten (10) business days from the date of the written determination of ineligibility to informally contest the determination of ineligibility with the entity. An applicant may informally contest a determination of ineligibility by contacting the entity in writing, by electronic communication, or orally, to explain the reason the applicant believes the determination was in error. The entity shall document the date on which an applicant contacts the entity to informally contest a determination and the applicant's reason for contesting the determination.
- (d) The determination of ineligibility shall state that informally contesting the determination shall not extend the time in which applicants may request a hearing pursuant to section 8-37ee-907(a) of the Regulations of Connecticut State Agencies. Entities shall inform applicants that a determination of ineligibility should be contested immediately to assure their return to the applicant pool should they prevail.
- (e) Not more than five (5) business days after the date on which an applicant informally contests a determination of ineligibility, entities shall notify applicants in writing of whether the determination of ineligibility has been upheld. In the event an applicant does not prevail after informally contesting the determination of ineligibility, such written notice shall state the time remaining in which the applicant may request a hearing pursuant to section 8-37ee-907(a) of the Regulations of Connecticut State Agencies.
- (f) Persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes to provide such persons with an opportunity to informally contest the determination.

**(NEW) Sec. 8-37ee-907. Procedures to request a hearing for ineligible applicants**

- (a) Request for hearing. To be entitled to a hearing, any applicant determined to be ineligible for a housing opportunity shall submit a written request for a hearing to the entity not more than thirty (30) days after the date of the written determination of ineligibility, except as otherwise set forth in section 17b-812-14 of the Regulations of Connecticut State Agencies. Such written request shall specify the reason for challenging the determination.
- (b) Selection of hearing officer or hearing panel. An impartial person or persons other than the person who made or approved the entity's action or a subordinate of such person shall conduct a hearing. An officer or member of the entity's governing body may be considered to be an impartial person, subject to evaluation pursuant to subdivision (2) of this subsection. The entity's selection of the hearing officer or the hearing panel shall comply with the following:
  - (1) The entity shall state the method or methods for appointment of the hearing officer or the members of the hearing panel in the tenant selection plan.
  - (2) The entity shall select the hearing officer or the members of the hearing panel in the manner required under the tenant selection plan. In the event that the applicant objects to the original appointment of the person or persons selected, the entity shall propose the appointment of an alternate hearing officer.
  - (3) In the event the method for the appointment of a hearing officer or members of the hearing panel in accordance with subdivision (2) of this subsection fails to produce a hearing panel or hearing officer, as appropriate, not more than thirty (30) days after the applicant's written request for a hearing, the entity shall be required to procure and pay for the services of a firm or organization that is in the business of providing such hearing officer services, where such firm or organization has no discernable conflict of interest with the entity. Such professional hearing officer shall be deemed to be impartial and will constitute the final selection in such cases.
- (c) Failure to request a hearing. If the applicant does not request a hearing in accordance with subsection (a) of this section, the entity's determination of ineligibility under section 8-37ee-906 of the Regulations of Connecticut State Agencies shall become final, provided, however, the failure to request a hearing shall not constitute a waiver by the applicant of his or her right thereafter to contest the entity's determination of ineligibility in an appropriate judicial proceeding or an appropriate state agency administrative proceeding.
- (d) Scheduling of hearings. Upon the applicant's compliance with subsection (a) of this section, the hearing officer or hearing panel shall promptly schedule a hearing for a date not more than sixty (60) days after the entity's receipt of the applicant's written request pursuant to subsection (a) of this section, except as otherwise set forth in section 17b-812-14 of the Regulations of Connecticut State Agencies, for a time and place reasonably convenient to both the applicant and the entity. The hearing officer or hearing panel shall deliver a written notice specifying the time, the place and a copy of the procedures governing the hearing consistent with section 8-37ee-908 of the Regulations of Connecticut State Agencies to the applicant and the appropriate entity representative.

- (e) Persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes to permit such persons to avail themselves of the procedures set forth in this section.

**(NEW) Sec. 8-37ee-908. Procedures governing the hearing for ineligible applicants**

- (a) Each entity shall afford a fair hearing to any applicant deemed to be ineligible for a housing opportunity administered by the entity and shall adopt a written policy concerning such hearings. The policy shall provide for:
  - (1) A reasonable opportunity prior to the hearing to examine any documents, records, or regulations directly relevant to the hearing. The applicant shall be allowed to copy any such document at the applicant's expense. At the hearing, the entity shall not discuss any document not made available to the applicant after a request by the applicant;
  - (2) The right to be represented by counsel or other person chosen as his or her representative;
  - (3) The right to a private hearing unless the applicant requests a public hearing;
  - (4) The right to present evidence and arguments in support of the appeal, to contest evidence presented by the entity and to confront and cross-examine all witnesses on whose testimony or information the entity relies; and
  - (5) A decision based solely and exclusively upon the facts, documents, records, regulations and testimony presented at the hearing.
- (b) If the applicant or the entity fails to appear at a scheduled hearing, the hearing officer or the hearing panel may make a determination to postpone the hearing for a period not to exceed five (5) business days or may make a determination that the non-appearing party has waived the right to a hearing. The hearing officer or hearing panel shall notify both the applicant and the entity. If the hearing officer or hearing panel determines that either the applicant or the entity has waived the right to a hearing, such waiver shall not constitute a waiver of the applicant's right to contest the entity's determination of ineligibility in an appropriate judicial proceeding.
- (c) The hearing officer or hearing panel shall conduct the hearing informally. The hearing officer or hearing panel may consider oral or documentary evidence relevant to the facts and issues raised by the applicant without regard to admissibility under the rules of evidence applicable to judicial proceedings. The hearing officer or the hearing panel, as appropriate, shall require the entity, the applicant, counsel for the respective parties and other participants or spectators, if any, to conduct themselves in an orderly manner. Failure to comply with the direction of the hearing officer or the hearing panel, as appropriate, to obtain order may result in exclusion from the hearing or a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

- (d) The entity shall audio or video record all hearings and digitally store and maintain all such recordings.
- (e) The applicant or the entity may arrange, at the expense of the party making the request, for a transcript or copy of the recording of the hearing. Any party to the hearing or legally authorized representative of such person may purchase a copy of such transcript or recording.
- (f) Persons with disabilities may request a reasonable accommodation pursuant to section 46a-64c of the Connecticut General Statutes to provide such persons with an opportunity to participate in the hearing. Reasonable accommodations may include qualified sign language interpreters, readers, accessible locations or attendants. If the applicant is visually impaired, any required notice to the applicant shall be in an accessible format.
- (g) The hearing officer or hearing panel, as appropriate, shall issue a final decision to the applicant in writing not more than thirty (30) days after the hearing, except as otherwise set forth in section 17b-812-14 of the Regulations of Connecticut State Agencies. The decision shall include a statement of the reason for the decision, and shall inform the applicant of their right to petition for review of the decision pursuant to subsection (h) of this section.
- (h) Entities shall inform an applicant who does not prevail at the hearing in writing of the final determination of their right to petition for review the decision of the hearing officer or hearing panel, as appropriate, to the department. An applicant shall submit in writing such petition for review. Any such petition shall be faxed, submitted electronically or postmarked not more than seven (7) business days after the adverse decision. The department shall consider the petition for review based on written information submitted to the department and shall not provide an additional hearing.
- (i) Entities shall keep the following materials on file for at least three (3) years: (1) application; (2) initial ineligibility notice; (3) any applicant reply; (4) the entity's final determination response; and (5) all verified information on which the ineligibility determination was based.

**(NEW) Sec. 8-37ee-909. Applicant screening**

- (a) When an entity selects an applicant from the waitlist and determines that the applicant is eligible for the housing opportunity, or upon receipt of an application, at the entity's discretion, the entity may elect to screen applicants. Entities may identify screening criteria in accordance with the approved tenant selection plan.
- (b) Entities may consider extenuating circumstances in evaluating information obtained during the screening process to assist in determining the suitability of an applicant for a housing opportunity. An entity may adopt a policy to consider extenuating circumstances that would allow acceptance of an applicant whom the entity would otherwise reject, but an entity shall not have a policy to consider extenuating circumstances to reject an applicant who would otherwise be eligible.

- (c) If screening criteria is used, entities shall apply screening criteria consistently to all applicants.
- (d) Screening shall comply with all applicable federal, state and local fair housing and civil rights laws.

**(NEW) Sec. 8-37ee-910. Nondiscrimination in selection process**

An entity, in determining the types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of persons to be afforded an opportunity to participate in any such program or activity, shall not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of denying any applicant's selection or assistance in violation of section 46a-64c, 46a-80c or 46a-81e of the Connecticut General Statutes.

Sec. 2. Section 8-30g-1(1) of the Regulations of Connecticut State Agencies is amended to read as follows:

- (1) ["Affirmative fair housing marketing plan" means a plan to attract, as tenants or purchasers of both market-rate and price-restricted units in an affordable housing development, members of racial and ethnic groups who reside within the metropolitan statistical area or non-metropolitan statistical area within which the affordable housing development is located, but who are least likely to apply, as defined in section 8-37ee of the Regulations of Connecticut State Agencies, for occupancy within such development;] "Affirmative fair housing marketing plan" means the information provided by an entity, in a form and manner prescribed by the housing agency, setting forth its plan to comply with the requirements set forth in Parts 1 to 3, inclusive, of subtitle 8-37ee of the Regulations of Connecticut State Agencies, as set forth in section 8-37ee-502 of the Regulations of Connecticut State Agencies;

Sec. 3. Section 8-30g-7(a)(3) of the Regulations of Connecticut State Agencies is amended to read as follows:

- (3) With respect to an affirmative fair housing marketing plan filed in accordance with an affordable housing development application, the provisions of [sections 8-37ee-1 et seq.] subtitle 8-37ee of the Regulations of Connecticut State Agencies, and particularly [sections 8-37ee-301 and 302] section 8-37ee-501 and section 8-37ee-502 of the Regulations of Connecticut State Agencies, shall serve as the basis for such plan, provided that such regulations, including the procedures therein, shall be guidelines, not requirements. Collection and dissemination of information about available price restricted and market rate dwelling units shall include, at a minimum:
  - (A) Analyzing census and other data to identify racial and ethnic groups least represented in the population;

- (B) Announcements/advertisements in publications and other media that will reach minority populations;
- (C) Announcements to social service agencies and other community contacts serving low-income minority families in the region (including churches, civil rights organizations, housing authorities, and legal services organizations);
- (D) Assistance to minority applicants in processing applications;
- (E) Marketing efforts in geographic area of high minority concentrations within the housing market area;
- (F) Beginning marketing efforts prior to general marketing of units, and repeating again during initial marketing, at fifty percent (50%) completion, and thereafter at reasonable period intervals with respect to resales or re-rentals; and
- (G) Collection of basic racial and ethnic information for all residents and persons on the wait list for the development.

Sec. 4. The Regulations of Connecticut State Agencies are amended by adding section 8-45-16 as follows:

**(NEW) Sec. 8-45-16. Waitlists for low rental projects**

The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 5. Section 8-72-3 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 8-72-3. [Implementation] Waitlists**

[The provisions of Section 8-45-10, through 8-45-15, inclusive, except as otherwise provided, shall govern the implementation of Moderate Rental Waiting lists.] The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 6. Section 8-116a-3 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 8-116a-3. [Implementation] Waitlists**

[The provisions of Section 8-45-10, through 8-45-15, inclusive, except as otherwise provided, shall govern the implementation of elderly housing waiting lists.] The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 7. Section 8-119g-15 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 8-119g-15. [Implementation] Waitlists**

[The provisions of Section 8-45-10, through 8-45-15, inclusive, except as otherwise provided, shall govern the implementation of Congregate Housing waiting lists.] The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 8. Section 8-214h-10 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 8-214h-10. [Waiting list] Waitlists**

(a) The developer/Board of Directors shall provide a receipt to each applicant to its project(s) stating the time and date of the application and assigning the applicant an identifying number which shall be recorded on the receipt and on the application for admission.

(b) The developer/Board of Directors shall create and maintain a waiting list of such applications and procedures for selecting residents from such list as approved by the Commissioner, which shall include the applicant's identifying number, the time and date the application was received by the developer and the size of the dwelling unit required by the applicant. Such list shall be a public record as defined in Section 1-18a of the Connecticut General Statutes.

(c) The developer/Board of Directors shall, from time to time, but no less than once each calendar year, revise and update the waiting list(s) so as to reflect the most current status of applicants.

(d) The developer/Board of Directors shall maintain a copy of the waiting list(s) and revisions to such list(s) at its office in the State of Connecticut or, if no such office exists, at the office of the town clerk in the municipality in which the project is located. Such list(s) shall be provided to the Commissioner or his representative upon his request.]

The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 9. Section 8-346-9 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 8-346-9. [Waiting list] Waitlists**

(a) The developer or owner shall provide a receipt to each applicant stating the time and date of the application and assigning the applicant an identifying number which shall be recorded on the receipt and on the application for admission.

(b) The developer or owner shall create and maintain a list of applications which shall include the applicant's identifying number, the time and date the application was received by the developer or owner and the size of the dwelling unit required by the applicant. Such list shall be a public record as defined in Section 1-18a of the Connecticut General Statutes.

(c) The developer or owner shall, from time to time, but no less than once each calendar year, revise and update this list to create a waiting list which reflects the most current status of applicants.

(d) The developer or owner shall maintain a copy of the waiting list(s) and revisions to such list(s) at its office at the site of the development or, if no such office exists, at the office of the town clerk in the municipality in which the development is located. Such list(s) shall be provided to the Commissioner upon his request.]

The provisions of sections 8-37ee-801 to 8-37ee-809, inclusive, of the Regulations of Connecticut State Agencies shall govern waitlist requirements.

Sec. 10. Sections 8-37ee-1 to 8-37ee-314, inclusive, of the Regulations of Connecticut State Agencies are repealed.

Sec. 11. Sections 8-45-8 to 8-45-15, inclusive, of the Regulations of Connecticut State Agencies are repealed.

Sec. 12. Sections 8-72-1 and 8-72-2 of the Regulations of Connecticut State Agencies are repealed.

Sec.13. Sections 8-116a-1 and 8-116a-2 of the Regulations of Connecticut State Agencies are repealed.

Sec. 14. Sections 8-119g-13 and 8-119g-14 of the Regulations of Connecticut State Agencies are repealed.

**Statement of Purpose:**

(A) The problems, issues or circumstances that the regulation proposes to address: Based on discussions with the United States Department of Housing and Urban Development (HUD) and stakeholders in the community, the Department of Housing (the Department) sought to modify and update fair housing requirements to be consistent with current law and to eliminate housing practices with potentially discriminatory impact. In addition, a review of the current fair housing regulations reflects that provisions related to how waitlists are created and maintained are scattered throughout the Regulations of Connecticut State Agencies. The proposed regulation seeks to consolidate all regulations relating to affirmatively furthering fair housing, waitlists and tenant selection in one place in order to make it clear and easy to understand the full universe of fair housing-related regulations and to ensure consistency among all housing opportunities.

(B) Summary of the main provisions of the regulation: The main provisions of the proposed regulation set forth (1) the requirements of an affirmative fair marketing program, plan, and process, (2) compliance procedures in connection with affirmative fair housing

marketing, (3) guidelines governing the application process for housing opportunities, (4) the process for creating and maintaining waitlists, including the requirement to generate such waitlists by means of a random lottery method, (5) requirements governing the selection of tenants, including a tenant selection plan, eligibility review, the process for an applicant to challenge an eligibility preference, and the application of preferences to the tenant selection process.

(C) Legal effects of the regulation: The regulation requires entities to create waitlists based on a random lottery system, eliminating entities' ability to choose between a random lottery and a point system selection method. It further eliminates the ability of entities to adopt a residency preference or a preference for those least likely to apply for a housing opportunity, although it continues to require entities to market housing opportunities to those least likely to apply. The regulations make clear that no housing preference may be in violation of the state laws prohibiting nondiscrimination in housing practices. The proposed regulations will repeal outdated sections 8-37ee-1 through 8-37ee-314, sections 8-45-8 through 8-45-15, sections 8-72-1 through 8-72-2, sections 8-116a-1 through 8-116a-2 and sections 8-119g-13 through 8-119g-14 of the Regulations of Connecticut State Agencies, will add new sections 8-37ee-401 through 8-37ee-910 and Section 8-45-16 of the Regulations of Connecticut State Agencies, and will amend sections 8-72-3, 8-116a-3, 8-119g-15 and 8-214h-10 of the Regulations of Connecticut State Agencies.

## **1-5. Federal Regulations:**

This paragraph identifies key regulatory and statutory citations pertaining to Section 1: Applicable Laws. The citations and their title (or topic) are listed below:

1. 24 CFR, part 1 Title VI of the Civil Rights Act of 1964
2. 24 CFR, part 8 Section 504 of the Rehabilitation Act of 1973
3. 24 CFR, part 100 et seq Fair Housing Act
4. 24 CFR, part 146 Age Discrimination Act of 1975
5. 24 CFR 200.600 Affirmative Fair Marketing Regulations
6. 24 CFR 880.612a, 881.601, 883.701, 884.223a, 886.329a (Allows preference occupancy by elderly families in certain Section 8 developments)
7. 42 U.S.C. 13641 Title VI, Subtitle D of Housing and Community Development of 1992 (Sets forth criteria under which certain HUD-subsidized multifamily properties can choose to serve elderly only, or set-aside a portion of the property for elderly only)
8. Uniform Federal Accessibility Standards (UFAS), effective July 11, 1988; individual copies are available from the Architectural and Transportation Barriers Compliance Board, 1331 F Street, NW, Suite 1000, Washington, D.C. 20004- 1111, Telephone: 202-272-0080, TTY: 202-272-0082, email address: info@access-board.gov. Orders of 25 or more copies will be referred to the publisher.

## 1-6. General Provisions

A. Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants based on one or more of the following classifications:

1. Race;
2. Color;
3. National origin;
4. Sex;
5. Age;
6. Disability;
7. Religion; and
8. Familial status.

**NOTE:** Familial status refers to families living with children under the age of 18, regardless of age or number of children. Familial status also includes pregnant women, families that are planning to adopt, and families that have or are planning to have foster children or to become guardians of children.

B. There are multiple laws that address the rights of tenants in multifamily housing. The remaining paragraphs in this section provide brief descriptions of the key federal civil rights laws regarding fair housing and accessibility that pertain to multifamily housing, along with reference to their implementing regulations.

C. Owners must be familiar with the regulations implementing these civil rights laws regarding fair housing and program accessibility, and with the applicable HUD Notices explaining those requirements. HUD's Office of Fair Housing and Equal Opportunity (FHEO) also provides technical assistance with these requirements.

D. Other applicable laws and regulations include the following:

1. Connecticut civil rights laws or local ordinances pertaining to housing; and **Note:** Owners may be subject to local and/or state laws that prohibit discrimination based upon membership in other classes (e.g., marital status or sexual orientation).
2. Any other legislation protecting the individual rights of tenants, applicants, or staff that may subsequently be enacted.

## 1-7. Fair Housing Act, Title VIII of the Civil Rights Act of 1968

a. General

The Fair Housing Act prohibits discrimination in most housing and housing-related transactions with respect to the following bases:

1. Race;
2. Color;
3. Religion;
4. Sex;
5. Disability;

6. Familial status; or
7. National origin.

The Act applies to all housing units subject to this guide.

**b. Prohibited Actions**

Under the Fair Housing Act, owners or other housing providers must not take any of the actions listed below based on race, color, religion, sex, disability, familial status, or national origin:

1. Deny anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs;
2. Provide anyone housing that is different from that provided to others;
3. Subject anyone to segregation, even if by floor or wing;
4. Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
5. Treat anyone differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of a lease. See paragraph 1-7C for a discussion of the owner's obligation to provide reasonable accommodations to persons with disabilities;
6. Deny anyone access to the same level of services;  
**NOTE:** An owner should be certain that all services at the project are supplied in a nondiscriminatory fashion. For example, there cannot be a preference for providing a service to persons of a specific religion, even if the agency providing the service is a faith-based organization.
7. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
8. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons;
9. Discriminate in the provision of brokerage services or in residential real estate transactions;
10. Discriminate against someone because of that person's relation to or association with another individual; or
11. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

**c. Additional Protections for Persons with Disabilities**

Although the Fair Housing Act generally requires applicants to be given equal treatment and prohibits discrimination against anyone with respect to the prohibited bases, there are certain limited circumstances when the Act requires a housing provider to treat persons with disabilities differently to enable them to have equal access to, or enjoyment of, housing and other housing-related programs. Specifically, the Fair Housing Act requires housing providers to provide "reasonable accommodations" to persons with disabilities. This means an owner

may have to modify rules, policies, practices, procedures and/or services to afford a person with a disability an equal opportunity to use and enjoy the housing. In addition, the Fair Housing Act contains specific accessibility requirements that apply to the design and construction of new multifamily housing built for first occupancy after March 13, 1991.

d. **Fair Housing Poster**

Owners of HUD-subsidized multifamily housing must also display the Fair Housing poster required by the Fair Housing Act and HUD regulations at 24 CFR, part 110.

**1-8. Title VI of the Civil Rights Act of 1964**

- a. Title VI prohibits all recipients of federal financial assistance from discriminating based on race, color, or national origin. Title VI applies to any program or activity receiving federal financial assistance, not just housing. Each federal agency has its own Title VI regulations. Thus, owners must remember that if they receive funds from any other federal agency, they will be subject to those agencies' Title VI rules, in addition to HUD's Title VI regulations, which are found at 24 CFR, part 1.
- b. In housing, Title VI and the Fair Housing Act apply to many of the same types of activities. However, HUD has broader investigative authority in complaints related to violations of Title VI and the authority to impose different types of remedies than it does in cases involving violations of the Fair Housing Act.
- c. Title VI regulations require that recipients have an affirmative obligation to take reasonable steps to remove or overcome any discriminatory practice or usage that subjects individuals to discrimination based on race, color, or national origin. The regulations also require that, even in the absence of prior discrimination, recipients should take affirmative steps to overcome the effects of conditions that results in limiting participation by persons of a particular race, color, or national origin.
- d. Title VI regulations also require that owners maintain racial and ethnic data showing the extent to which members of minority groups are beneficiaries of federal financial assistance.

**1-9. Age Discrimination Act of 1975**

- a. This Act prohibits discrimination based upon age in federally assisted and funded programs or activities, except in limited circumstances.
- b. It is not a violation of the Act to use age as a screening criterion in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

**1-10. Section 504 of the Rehabilitation Act of 1973**

- a. Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on owners to make their programs accessible to persons with disabilities. These obligations include the following:
  - 1. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
  - 2. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
  - 3. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
  - 4. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements; and
  - 5. Performing a self-evaluation of the owner's program and policies to ensure that they do not discriminate based on disability;
  - 6. Operating their programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.
  
- b. Furthermore, the Section 504 regulations establish affirmative accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units. For a unit to be considered accessible, it must meet the requirements of the Uniform Federal Accessibility Standards (UFAS).
  
- c. The Section 504 regulations also require that recipients not discriminate in employment based upon disability.

## **1-11. Required Data and Record-Keeping**

- a. **Required Data**
  - 1. Owners must collect and maintain various types of information regarding prospective and current tenants to help establish compliance with program requirements.
  - 2. For subsidized multifamily housing, HUD requires owners to gather data about the race and ethnicity of applicants and tenants so that HUD can easily spot possible discrimination, track racial or ethnic concentrations, and focus enforcement actions on owners with racially or ethnically identifiable properties. For example, the Department might investigate a situation in which there is a sizable eligible population of a given race or ethnicity in the area, but a particular property does not house any members of that population. Ethnicity and Race of applicants and tenants is determined by self-certification rather than an observation of the owner. The Department

also requires that owners report the numbers of people with disabilities served by their programs.

3. To avoid the risk of violating civil rights and nondiscrimination requirements when seeking to gather such data, owners should consistently ask the same questions of all prospective and current tenants. Also, owners should avoid asking for information only from certain populations and not others. For example, instead of asking only some applicants about their race, owners should have a means of seeking this information from all applicants.

**b. Record-Keeping**

1. Records. Owners must keep civil rights related records in accordance with 24 CFR 1.6, 8.55(b), and 107.30. The civil rights related records include race and ethnicity data, compliance with 504, and compliance with Executive Order 11063.
2. Access to Records. Owners are required to allow HUD staff and Contract Administrators access to the relevant records for their properties and other sources of information, as necessary, for determining compliance with civil rights and nondiscrimination requirements.
  - a. In the following situations, HUD or the Contract Administrator may request information from owners: when an individual complains to HUD that he/she has been the subject of discrimination; when HUD FHEO staff performs a review of an owner’s overall compliance with civil rights and nondiscrimination requirements; or when HUD Multifamily Housing staff looks for indicators of noncompliance on behalf of FHEO as part of a management review.
  - b. When performing limited reviews of civil rights and nondiscrimination requirements as part of a management review, HUD Multifamily Housing staff should use the checklists and operating procedures developed between the Office of Fair Housing and Equal Opportunity and the Office of Multifamily Housing to determine the relevant information needed from the owner to conduct the review.

**1-12. Principles for Addressing Overlapping Federal, State, and Local Requirements**

Agency	Street	City	State	Zip	Phone
Connecticut Commission on Human Rights and Opportunities	450 Columbus Boulevard	Hartford	CT	06103	1-800-477-5737 TDD: 860-541-3400
Connecticut Fair Housing Center, Inc	60 Popieluszko Court	Hartford	CT	06106	860-247-4400

**Connecticut State Fair Housing Law (Conn. Gen. Stat. Sec. 46a-64c and 46a-81e)**

Connecticut’s law provides all the substantive protections of the Federal Fair Housing Act found under Title 8. The practices discussed in Sections 1-14 to 1-19 of this manual would also be

covered under state law. All the additional protections and obligations for persons with disabilities indicated under the Fair Housing Act in Sections 1-20 to 1-46 of this manual also apply under state law.

Connecticut’s law goes beyond the Federal Fair Housing Act by:

- (a) also prohibiting the practices described in Sections 1-14 to 1-19 against persons because of age, ancestry, creed, gender identity or expression, marital status, lawful source of income and status as a veteran and;
- (b) providing the additional protections described in Section 1-20 to 1-46 to individuals that may not be covered under the Federal Fair Housing Act because of a broader definition of what constitutes a disability under State Law.

There are more restrictive filing requirements under state law:

- (a) the complaint must be in writing under oath;
- (b) must be filed within 180 days of the discriminatory act as opposed to one year under Title 8.

There are different exemptions under state law than federal law found in Conn. Gen. Stat. Section 46a-64c(b).

Summary	Other Information
Unlawful discriminatory practice to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, creed, color, national origin, ancestry, sex, marital status, age, lawful source of income or familial status, religion, sexual orientation, disability	Complaints must generally be filed within 180 days of the date of the alleged act of discrimination or within 180 days of the date that you became aware of the act. Complaints must be in writing and under oath.

## Section 2: Nondiscrimination Requirements Under the Fair Housing Act

### 1-13. General – Federal Fair Housing Act

The Federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, sex, disability, familial status, or national origin. Owners are responsible for ensuring that the policies and practices used in properties covered by this guide do not incorporate prohibited practices. This section provides an overview of these requirements. Owners are fully responsible for understanding and complying with the requirements applicable to their properties.

### 1-14. Unlawful Refusal to Rent or Negotiate for Rental

- a. Owners may not refuse, either directly or indirectly, to rent or negotiate for rental of a dwelling based on an individual's race, color, religion, sex, disability, familial status, or national origin, or those of a person associated with the individual. See Connecticut State Fair Housing law for additional categories.
- b. Examples of prohibited activities based on race, color, religion, sex, disability, familial status, or national origin include, but are not limited to, the following:
  - 1. Setting different rental fees for a person;
  - 2. Not applying the screening criteria outlined in the tenant selection plan uniformly to all applicants;
  - 3. Restricting selection of persons with disabilities in housing and
  - 4. Preventing a household with children under age 6 from occupying a unit even if there are lead hazards in the unit. The owner must advise the household of the hazards, but the choice to occupy the unit is the household's.

**NOTE:** Owners may affirmatively market lead-hazard-free units to families with children under the age of 6.

#### **1-15. Other Prohibited Rental Activities**

- a. Owners must not engage in activities that steer potential tenants away from or toward particular units by words or actions based on race, color, religion, sex, disability, familial status, or national origin.
- b. Owners must not make housing units and related services unavailable to any potential tenants based upon race, color, religion, sex, disability, familial status, or national origin.
- c. Such prohibited actions include the following:
  - 1. Discouraging anyone from inspecting or renting a unit in a community, neighborhood, or property;
  - 2. Discouraging anyone from renting a unit by exaggerating the problems a unit has or failing to inform a person of the good points of the unit in a community, neighborhood, or property;
  - 3. Assigning any person to a particular section of a community, neighborhood, or project, or to a particular floor of a building, because of race, color, religion, sex, disability, familial status, or national origin, except when assigning an accessible unit to a person with a disability who needs the features of the unit; and
  - 4. Denying or delaying the processing of an application made by a renter.

#### **1-16. Discrimination in the Representation of Available Dwellings**

- a. Owners must not purposely provide false information to applicants about the availability of units that limits the living options of prospective tenants based on

race, color, religion, sex, disability, familial status, or national origin of the applicant or persons associated with the applicant.

- b. Examples of such prohibited actions include, but are not limited to, the following:
  - 1. Indicating by words or actions that an available unit has already been rented;
  - 2. Using deeds, trusts, or other lease requirements to keep a potential tenant from renting an available unit;
  - 3. Refusing to inform interested individuals, either verbally or through actions, that suitably priced units are available to be rented; and
  - 4. Providing false or inaccurate information about the availability of units to anyone (including discrimination testers), regardless of whether the person is looking for housing.

### **1-17. Discrimination in Terms, Conditions, Privileges, Services, and Facilities**

- a. Owners must not deny, or limit services based on race, color, religion, sex, disability, familial status, or national origin of the applicant, tenant, or a person associated with the applicant or tenant.
- b. Prohibited activities include, but are not limited to, the following:
  - 1. Using different requirements in leases. Examples include charging different rents, charging different security deposits, or requiring persons with disabilities who use electric wheelchairs or motorized scooters to have personal liability insurance.  
**NOTE:** This prohibition includes the use of different house rules for different tenants. For instance, owners must not have more stringent noise requirements for families with children than for families without children.
  - 2. Failing to provide or delaying maintenance on rental units;
  - 3. Failing to process a rental offer;
  - 4. Limiting the use of privileges, services, or facilities associated with renting a unit; and
  - 5. Denying or limiting services because the renter failed or refused to provide sexual favors or providing extra benefits to an individual in exchange for the provision of sexual favors.
- c. Federal discrimination laws generally prohibit housing providers from implementing policies or practices that appear to be neutral on their face but have a significant adverse or disproportionate impact on persons based on race, color, religion, sex, national origin, familial status, or disability.

### **1-18. Discrimination in Marketing, Statements, and Notices**

- a. Owners must market available units in a nondiscriminatory manner.
  - 1. This requirement covers printed or published notices, statements, or advertisements. Examples of notices and statements include any

- applications, flyers, brochures, deeds, signs, banners, posters, billboards, or other documents used to market available units.
2. The marketing requirement also covers oral notices or statements.
- b. Actions prohibited by this requirement include, but are not limited to, the following:
1. Using words, phrases, photographs, illustrations, symbols, or forms that suggest that units are available or not available to certain people based on race, color, religion, sex, disability, familial status, or national origin;
  2. Expressing to agents, brokers, employees, prospective renters, or any other person a preference for or limitation on any renter based on race, color, religion, sex, disability, familial status, or national origin;
  3. Selecting media or locations for advertising the renting of units that are unlikely to attract particular people to apply for occupancy at the property because of race, color, religion, sex, disability, familial status, or national origin; and
  4. Refusing to advertise for the rental of units or requiring different charges or terms for such advertising based on race, color, religion, sex, disability, familial status, or national origin.

#### **1-19. Retaliatory Occupancy Practices, Coercion, Intimidation, and Interference**

- a. It is unlawful to coerce, intimidate, threaten, or interfere with any person's exercise or enjoyment of any Fair Housing right described in this chapter. It is also unlawful to take such action on account of a person's actions to aid or encourage any other person in the exercise or enjoyment of any Fair Housing rights described in this chapter.
- b. Some examples of threatening activities based on race, color, religion, sex, disability, familial status, or national origin include, but are not limited to, the following:
  1. Intimidating or threatening a person verbally, in writing, or in some other way that results in that person being denied the benefits of living in a unit (including creating an environment hostile to applicants or tenants with respect to one or more of the prohibited bases listed above);
  2. Threatening, intimidating, or interfering with a person's enjoyment of a dwelling because of the race, color, religion, sex, disability, familial status, or national origin of such person, or of visitors or associates of such person (including sexual harassment).
  3. Threatening an employee or agent with firing or other negative action for any legal, non-discriminating, pro-regulatory, effort to help someone rent a unit;
  4. Intimidating or threatening any person because that person is engaging in activities designed to make other persons aware of Fair Housing rights, or encouraging such other persons to exercise their Fair Housing rights as described in this chapter;

5. Failing to investigate and address allegations that a tenant or group of tenants is harassing or threatening another tenant because of that tenant's race, color, national origin, sex, religion, disability, or familial status.
6. Retaliating against a person who has made a complaint, testified, or in any way assisted with proceedings under the Fair Housing Act.

## **Section 3: Additional Nondiscrimination and Accessibility Requirements for Persons with Disabilities**

### **Subsection 1: Overview and General Requirements**

#### **1-20. Key Regulations**

This paragraph identifies key regulations pertaining to Section 3: Additional Nondiscrimination and Accessibility Requirements for Persons with Disabilities. The citations and their titles are listed below.

- a. 24 CFR, part 8 – Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development. (Section 504 of the Rehabilitation Act of 1973)
- b. 24 CFR, part 100 – Discriminatory Conduct under the Fair Housing Act.
- c. 24 CFR, part 108 – Compliance Procedures for Affirmative Fair Housing Marketing.

#### **1-21. Introduction**

- a. As discussed above, the Fair Housing Act establishes specific nondiscrimination and accessibility requirements for housing sold and rented in the United States for nearly all housing, regardless of whether the housing receives any federal financial assistance.
- b. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination against persons with disabilities and establishes accessibility requirements by recipients of federal financial assistance in both housing and non-housing programs. Although there is significant overlap between the Fair Housing Act nondiscrimination requirements with respect to disability and Section 504, Section 504 imposes additional broader obligations on recipients of federal financial assistance. Properties covered by this guide are subject to the requirements of Section 504 and therefore, owners of such properties have affirmative obligations to establish and implement nondiscrimination policies and to ensure required accessibility to persons with disabilities.

- c. Section 504 establishes certain affirmative accessibility standards that owners must meet regardless of whether or not an applicant or tenant has made an individual request for a reasonable accommodation.)
  - 1. The owner’s obligations include making the property physically accessible as well as operating and administering the property to enable persons with disabilities to have equal access to participate in the program.
  - 2. This means not only that units and common areas must be physically accessible, but that owners also must ensure effective communications with applicants, tenants, and the public, and that policies regarding how the property is operated do not adversely affect applicants, tenants, and the public.
  - 3. Under both the Fair Housing Act and Section 504, housing providers are obligated to provide reasonable accommodations to allow applicants with disabilities to meet the requirements of tenancy. The requirement to provide a reasonable accommodation is present at all times throughout the tenancy of a person with disabilities, including during lease enforcement.
  - 4. In all discussions of accessibility under Section 504, a unit cannot be considered fully accessible unless it meets the requirements of the Uniform Federal Accessibility Standards, 24 CFR 8.32. Note that UFAS does not consider a unit to be fully accessible if it is not on an accessible route.
  
- d. This section discusses how Section 504 and the disability/accessibility provisions of the Fair Housing Act apply to housing, and it addresses situations where both laws apply. In this respect, where a property is subject to more than one law or nondiscrimination or accessibility standard, it is necessary to comply with all applicable requirements. In some cases, it may be possible to do this by complying with the stricter requirement. Section 504 and the Fair Housing Act overlap, but in many ways Section 504 is the more stringent of the two.
  
- e. For the purposes of this section, the requirements and procedures described refer to Section 504, unless the Fair Housing Act is specifically referenced.
  
- f. This section continues with an overview of key requirements regarding nondiscrimination and accessibility and then covers the following topics in more detail.
  - 1. Subsection 2: Policies and Procedures to Ensure Nondiscrimination and Promote Accessibility.
  - 2. Subsection 3: Physical Accessibility.
  - 3. Subsection 4: Reasonable Accommodations.
  - 4. Subsection 5: Additional Fair Housing Act Requirements.

**1-22. Definition of Persons with Disabilities for Civil Rights Protections versus Program Eligibility Purposes**

- a. Definitions with Respect to Civil Rights Protections

1. Section 504 establishes definitions for “**persons with disabilities**” and “**disability**” that differ from the definitions established in multifamily subsidized housing program regulations for purposes of determining program eligibility.
2. The complete Section 504 definition of these terms is included in the Glossary and identified as:
  - a. “Persons with disabilities;” and
  - b. “Disability.”
3. When the guide uses these terms with respect to civil rights protections, it is usually in the context of nondiscrimination or accessibility requirements, such as a discussion of requests for reasonable accommodations by applicants or tenants. In this context, the civil rights-related definitions apply.

**Note:** A person who meets the definition of a person with disabilities as defined for civil rights protections may or may not meet the definition of a person with disabilities as defined for program eligibility purposes.

### 1-23. **Applicability**

This section covers the nondiscrimination and accessibility requirements applicable to the occupancy of existing housing for which the owner receives federal financial assistance.

**NOTE:** For the related accessibility requirements that apply to the development of new properties, refer to the HUD Guides and other HUD guidance specific to the program aiding the project, the Section 504 regulations and program regulations.

### 1-24. **Overview of Key Requirements**

#### a. **Nondiscrimination and Accessibility Requirements**

Under Section 504, owners must operate each existing housing project so that, when viewed in its entirety, it is readily accessible to and usable by persons with disabilities. This includes the following actions by owners:

1. Making modifications to policies and practices so they do not discriminate against persons with disabilities.
2. Taking appropriate steps to ensure effective communication with applicants, tenants, and the public. Owners must use requests by persons with disabilities to determine which alterations and auxiliary aids are necessary.

**NOTE:** HUD encourages owners to provide auxiliary aids, as necessary, as a routine property expense. HUD assumes that requests for auxiliary aids will not normally result in undue financial and administrative burden.

3. Taking required steps to meet the 5% threshold for units fully accessible to persons with mobility impairments and the 2% requirement for units accessible for persons with visual and hearing impairments.

4. Making public spaces and dwelling units accessible, provided that the changes do not result in an undue financial and administrative burden or require fundamental alterations in their programs.
5. Responding to reasonable accommodations requests from tenants or applicants with disabilities for adjustments to policies or physical alterations.

**b. Projects with Multiple Contracts**

When a project is covered by more than one assistance contract, it is considered to be one project as long as it meets the definition of a project shown below as defined in 24 CFR 8.3.

“Project” means the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots that are covered by a single contract for federal financial assistance or application for assistance, or are treated as a whole for processing purposes, whether or not located on a common site. [24 CFR 8.3]

**c. Allowable Methods of Compliance**

Owners may comply through such means as reassigning services to accessible buildings, providing housing services or related services at alternate sites, or altering existing facilities. Also, owners may use any other methods that result in making the project and its activities readily accessible to and usable by persons with disabilities.

Examples of such other methods include offering an alternate rental office location; putting up signs identifying facilities for persons with disabilities; relocating/enlarging a parking space for persons with disabilities in compliance with UFAS; installing a visual smoke detector; installing a ramp; or making curb cuts or modifying curbs.

**d. Prioritizing Methods**

In deciding on ways to achieve accessibility for persons with disabilities, owners must give priority to methods that offer housing in the most integrated setting possible (i.e., a setting that enables qualified persons with disabilities and persons without disabilities to fully interact possible).

**e. Accessible Unit Requirements**

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the project and site; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with disabilities is comparable to that of other persons eligible for housing assistance under the same program.

See Exhibit 1-1 for an explanation of reasonable requirements.

**NOTE:** Any housing constructed for first occupancy after March 13, 1991, must be designed in accordance with the design and construction requirements of the Fair Housing Act in addition to the Section 504 requirements on accessibility.

### 1-25. Technical Resources

- a. Regulation implementing Section 504 of the Rehabilitation Act of 1973 [24 CFR, part 8] and preamble [FR Vol. 53, No. 106, 10216].
- b. Regulation implementing the Fair Housing Amendments Act of 1988 [24 CFR, part 100] and preamble [FR Vol. 54, No. 13, 3232].
- c. Uniform Federal Accessibility Standards (UFAS). Individual copies are available from the Architectural and Transportation Barriers Compliance Board, 1331 F Street, NW, Suite 1000, Washington, D.C. 20004-1111, Telephone: 202-272- 0080, TTY: 202-272-0082, email address: info@access-board.gov. Orders of 25 or more copies will be referred to the publisher.
- d. Adaptable Housing, Marketable Accessible Housing for Everyone, November 1987 (HUD-1124-PD4).
- e. Listing of ADA Regulations and Technical Assistance Materials, Department of Justice, available on the Web at <https://www.justice.gov/crt/disability-rights-section>
- f. Title II Technical Assistance I at [https://archive.ada.gov/ta\\_titleii.html](https://archive.ada.gov/ta_titleii.html)

## Subsection 2: Policies and Procedures to Ensure Nondiscrimination and Promote Accessibility

### 1-26. Nondiscrimination in Owner Policies

- a. Both Section 504 and the Fair Housing Act prohibit owners from following policies or practices that discriminate overtly on the basis of disability.

#### **Example – Discriminatory Policies and Practices**

An owner may not have a policy requiring tenants with disabilities to carry personal liability insurance, when it does not require tenants without disabilities to carry such insurance.

An owner may not have a policy which prohibits tenants from having live-in-aides or using assistive devices in certain parts of the premises.

- b. Owners are also obligated to modify any neutral policies which have the effect of discrimination based on disability.

**Example – Neutral Discrimination Policies**

An owner must modify a “no animals” policy to allow a tenant with a disability who needs an assistance animal because of his or her disability, to have that animal.

**NOTE:** Housing policies that owners can demonstrate are essential to the project will not be regarded as discriminatory under this requirement if modifications to such policies would result in a fundamental alteration in the nature of the housing program or activity or undue financial and administrative burden.

- c. Owners must not fail to provide reasonable accommodations when such accommodations may be necessary to afford a person with disabilities equal opportunity to use and enjoy a dwelling unit and the public and common areas. (Refer to Subsection 4: Reasonable Accommodations for more information about reasonable accommodations.)
- d. Owners must ensure that their policies and procedures do not have a disparate impact on persons with disabilities.
- e. Owners are not required to provide supportive or other services (e.g., counseling, medical or social services) that fall outside the scope of the applicable housing program for the property. The test for what the owner must provide is whether, with appropriate modifications, the applicant can achieve the purpose of the program offered, not whether the applicant/tenant could benefit or obtain results from some other program that the owner does not offer.

**NOTE:** Applicants who need services not provided by the project must be allowed to arrange those services on their own.

**1-27. Coordinating Efforts to Comply with Section 504 Requirements**

When an owner, managing entity, or project employs 15 or more people, regardless of their location or duties, the owner or managing entity must also designate one person for the property to coordinate efforts to comply with Section 504 requirements. This does not exempt owners, managing entities, or projects with fewer than 15 employees from complying with Section 504 requirements, but merely exempts the owner from having to designate a person to coordinate compliance efforts. At the owner’s discretion, this person may handle Section 504 matters for more than one property.

**1-28. Communications with Persons with Disabilities**

**a. Overview**

1. Owners must take steps as described under this paragraph to ensure effective communication with applicants, tenants, and members of the public.  
**IMPORTANT:** The owner has the same obligation to provide effective communication to interested persons, applicants, and residents, regardless of whether it is ultimately determined that a particular individual is in fact income-eligible or otherwise qualified for admission to the project.
2. Owners are not required to take any actions under this paragraph that the owner can demonstrate would result in a fundamental alteration in the property or program or in an undue financial and administrative burden.
3. Owners must take steps to the maximum extent feasible to accommodate requests under this subsection for effective communication with persons with disabilities. This means that owners must make alternate accommodations up to the point at which further accommodations would result in either a fundamental alteration in the nature of the project or program or in undue financial and administrative burden.

b. **Providing Auxiliary Aids to Ensure Effective Communication with Hearing- and Speech-Impaired Individuals**

1. Owners must provide auxiliary aids where necessary to give tenants and applicants with disabilities an equal opportunity to receive and enjoy the benefits of the project/assistance. See also Exhibit 1-2 for examples.
2. In furnishing auxiliary aids needed by persons with disabilities, owners should give primary consideration to the types of aids requested by the individual.

**Example - Reasonable Requests for Auxiliary Aids**

Requests for auxiliary aids may include the following: visual alarms; tactile signs; visual doorbell; reader; interpreter; applications, leases, and other information/ communications in large print or Braille; recordings of such information; and a television, in a public area, which provides closed-captioning service.

3. Appropriate auxiliary aids do not include individually prescribed devices.

**Example - Auxiliary Aids that Owners Are Not Required to Provide**

Requests for auxiliary aids that owners are not required to provide include reading machines, hearing aids, or personal items (e.g., an alarm lock with visual signal, computer, wheelchair, assistance animals, readers for personal use, TTY in tenant's unit, and eyeglasses).

c. **Written Communications**

1. Owners must accommodate requests by persons with disabilities to have written materials presented in a manner which can be understood by those individuals. However, requests for provision of written materials in a specific form may not have to be fulfilled if to do so would result in an undue financial and administrative burden.

**Example - Written Communications that Owners Must Make Available to Persons with Disabilities**

Written communications include applications, leases, tenant/applicant letters, and responses to inquiries.

2. If such a determination is made, owners must seek alternative ways of presenting written communications to meet the individual's needs that, to the maximum extent possible, ensure that persons with disabilities receive the benefits and services of the program or activity.
3. Written communications must state that the owner does not discriminate against persons with disabilities. (See suggested language in Exhibit 1- 3.)
4. Owners, managing entities, or projects with 15 or more employees must ensure that written communications identify an employee named to coordinate compliance with nondiscrimination requirements. (See Exhibit 1- 3.)
5. Owners must ensure that any fact sheets, brochures, notices, literature, or publicity of any kind accomplish the following:
  - a. Give information concerning the existence and location of services, activities, and facilities that have features that make them accessible to persons with disabilities.

**Example - Communicating Accessibility Features**

When an owner lists a telephone number, he/she must also list a TTY number or an equally effective system.

When a property is fully accessible, that fact must be stated or the universal symbol for accessibility should be used.

- b. State that the owner does not discriminate based on disability in admission or access to the project.
- c. Give the name (or position), address, and telephone number of the employee designated to coordinate the owner's efforts to comply with Section 504. (This subparagraph applies to owners, managing

entities, or projects employing 15 or more people.)

**NOTE:** Affirmative fair housing marketing must meet the requirements in 24 CFR, part 108 – Fair Housing Advertising. Prohibitions related to discriminatory advertising are described in 24 CFR 100.75. Consult with the Office of Fair Housing and Equal Opportunity for further information.

**d. Telecommunications**

Where an owner uses a telephone to communicate with members of the public, applicants, and tenants, the owner must use a telecommunications device suitable for the hearing-impaired (TTY) or equally effective communication system (such as a TTY relay service). Owners must provide TTY, unless the phone company offers it. Exhibit 1-4 presents an optional checklist to determine whether a communication system is an equally effective alternative to the TTY.

**NOTE:** Small properties, where the owner relies on face-to-face communications only and does not use a telephone to communicate with tenants or the public, are exempt from the requirements of this paragraph. However, the owner must provide alternative effective means of communication with persons with disabilities.

**1-29. Information about Availability of Accessible Units**

- a. Owners must have policies and practices to ensure that information about the availability of accessible units reaches eligible persons with disabilities.
- b. HUD also encourages owners to maintain contact with sources/agencies in the community who provide services to persons with disabilities so that, when accessible units become available, persons in need of these units may have the opportunity to live in them.

**1-30. Determining Eligibility of Applicants for Admission and Assistance**

- a. In applying the nondiscrimination requirements of Section 504 and the Fair Housing Act regarding persons with disabilities, owners must ensure that the policies used at properties covered by this section are consistent with the requirements in this paragraph and paragraphs 1-32 and 1-33 below.
- b. Owners must determine the eligibility of each applicant on a case-by-case basis.
- c. Owners must admit applicants in accordance with the eligibility requirements of the particular program/project.
- d. Owners must uniformly apply the eligibility and tenant selection criteria to all applicants.
- e. Owners must not make certain inquiries to determine eligibility.

1. The Fair Housing Act regulations state that it is unlawful for an owner to inquire:
  - a. Whether an applicant for a dwelling, a person intending to reside in a dwelling after it becomes available, or anyone associated with an applicant or resident, has a disability; or
  - b. As to the nature or severity of a disability of such person(s).
2. Owners may, however, make the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities:
  - a. Inquiry into an applicant’s ability to meet the requirements of tenancy; and
  - b. Inquiry to determine if an applicant is a current illegal abuser or addict of a controlled substance.
3. Some properties may be lawfully restricted to persons with disabilities in general, or to persons that fall within one or more of three categories of disability (i.e., physical disability, developmental disability, chronic mental illness), such as Section 811 PRAC properties or Section 202 Direct Loan properties. Owners of such properties may make inquiries of all applicants to determine whether:
  - a. An applicant qualifies for the housing that is available only to persons with disabilities, or to members of the category of disability served by the project; and
  - b. An applicant qualifies for a priority available to persons with disabilities or to persons with a particular category of disability.
4. It is unlawful for an owner to make inquiries designed to determine whether an applicant may live independently.
5. It is a good practice for a property’s rental application to define “disability” per program requirements and then ask if the applicant qualifies as a person with disabilities under that definition. The application should also advise all tenants that if they have a disability and need a reasonable accommodation in order to participate in the application process or to make effective use of the housing program, they have the right to request such an accommodation. The application should define reasonable accommodation and explain the process by which the housing provider will consider requests for reasonable accommodations.

**Example – What Owners May Ask or Must Not Ask Applicants  
Applying for Accessible Units**

An owner offers accessible units to persons needing the features of these units on a priority basis. The provider may ask applicants whether they have a disability such that they will benefit from the features of the units but may not in such circumstances ask applicants whether they have other types of impairments.

- f. Owners may verify a person’s disability but must adhere to certain verification guidelines.

1. The owner may verify a person’s disability only to the extent necessary to document those applicants:
  - a. Are qualified for the housing for which they are applying;
  - b. Are qualified for deductions used in determining adjusted income;
  - c. Are entitled to any preference they may claim;
  - d. Who has requested a reasonable accommodation have a disability-related need for the requested accommodation or modification; and
  - e. Need the design features of the unit.
2. Owners may not require applicants to provide access to confidential medical records to verify a disability.

**1-31. Assigning Accessible Units**

**a. Applicability**

The requirements of this paragraph apply to the following projects and dwelling units:

1. Projects with five or more units.  
**NOTE:** HUD recommends that owners of projects with fewer than five units follow these policies to the extent practicable.
2. Units made accessible under Section 504 as described in Subsection 3 and units designed for disabled families/households when the project was approved for funding.

**b. Eligibility for Accessible Units**

1. A percentage of units in most properties contain accessible features. Eligibility for these accessible units may be limited to a specific population (e.g., persons with mobility impairments).
2. Owners must place applicants eligible for an accessible unit on the waiting list in accordance with the property’s waiting list procedures.
3. Owners may not prohibit an eligible family with a member who has a disability from accepting a suitable non-accessible unit if no accessible unit is available when the family reaches the top of the waiting list. Owners must make physical alterations to the non-accessible unit as a reasonable accommodation, unless the alterations would result in an undue financial and administrative burden.
4. If an appropriate-size accessible unit is not available, owners may house an applicant needing an accessible unit in a larger accessible unit in order to maximize the use of the accessible features.

**c. Order When Assigning Accessible Units**

Section 504 requires that owners take reasonable, nondiscriminatory steps to maximize the use of accessible units by eligible individuals whose disability requires the accessibility features of a particular unit. As part of this requirement, owners must assign available accessible units to tenants/applicants in the following order:

1. When there is a current tenant or qualified applicant with a household member requiring accessibility features of the unit:
  - a. Current Tenants. Owners must first offer the unit to an individual with disabilities currently residing in a non-accessible unit in the same project or comparable project under common control, who requires the features of the unit;
  - b. Applicants with Disabilities. If no current tenants require the special features of the accessible unit, the owner must then offer the unit to the next qualified applicant on the waiting list with a family member who needs the features of the accessible unit.
2. When neither a current tenant nor a qualified applicant requires the features of the available accessible unit:
  - a. Owners may offer the unit to another tenant or applicant in a manner consistent with the property's tenant selection policy and should incorporate into the lease an agreement that the tenant will move to a non-accessible unit of the proper size within the same property when one becomes available. The lease should state whether the tenant or the owner will pay for the cost of such moves.
  - b. In the case where the members of the tenant household who required the special features of the accessible unit no longer reside in the unit, and where the lease permits, owners should require the remaining members of the household to move to a unit without accessibility features. The Department strongly suggests that owners incorporate this provision as an addendum to the lease to avoid placing themselves in a situation of having to retrofit additional units.

### **1-32. Moving Tenants Who Require Special Features into Accessible Units**

- a. If a member of a tenant household becomes disabled with an impairment that requires special accessibility features and the tenant requests an accessible unit, an owner may move that tenant into an accessible unit in lieu of making the tenant's existing unit accessible and usable. However, if a tenant needs only minor modifications to his or her unit, and does not need a fully accessible unit, the landlord should make the modifications and leave the project's fully accessible units available for tenants who need such units.

- b. If a member of a tenant household is a person who does not need specific accessible features, but whose disability requires that they live on a particular floor or location on the floor, the owner must move that tenant household to the new unit. If such a unit is not available, the owner should assign the tenant to the next available unit that meets the need of the tenant. This accommodation must be based on the tenant's disability-related need for the particular floor or location on the floor and not based on the tenant's personal preferences.

**Example – When Owners Should Move Tenants to Accessible Units**

The head of household's grandmother, who is a member of the household, cannot climb the two flights of stairs to the unit because she has arthritis in her knees. The head of household requests that they be moved to a unit on the ground floor. The owner must move the household to the next available ground floor unit. If there are no ground floor units of the correct bedroom size expected to be available within a reasonable time (e.g., 30 days), the owner may make a unit available by requiring a tenant in a ground floor unit who is over housed or underhoused to move to a unit within the project that is the correct size for the household.

**1-33. Owner Self-Evaluation**

- a. The Section 504 regulations required recipients of federal financial assistance to conduct a self-evaluation of their policies and practices to determine if they were consistent with the requirements of this section of the Rehabilitation Act of 1973. The regulations required owners to have completed their self-evaluations no later than July 11, 1989.
- b. The Section 504 regulations establish owners' ongoing responsibility to operate their programs so that they are, when viewed in their entirety, accessible to and usable by persons with disabilities [24 CFR 8.24]. Although the regulatory deadlines for completing self-evaluations have now passed, the self-evaluation continues to be an excellent management tool for ensuring that the owner's current policies and procedures comply with the requirements of Section 504.
- c. HUD strongly recommends that owners periodically update their self-evaluations as one way to help ensure compliance. Updates are particularly important if there have been alterations to units or units have been added or demolished. When updating the self-evaluation and implementing its results, owners should take the following steps.
  - 1. Evaluate current policies and practices and analyze them to determine if they adversely affect the full participation of individuals with disabilities in the owner's programs, activities, and services.  
**NOTE:** Information on technical resources regarding Section 504 accessibility requirements can be found in paragraph 1-26.
  - 2. Modify any policies and practices that are not or may not be in compliance with Section 504.

3. Take appropriate corrective steps to remedy those policies and practices that are either discriminatory or have a discriminatory effect.
  4. Document the process and activities used to update the self-evaluation.  
**NOTE:** Under Section 504 regulations, owners were required to complete one self-evaluation. HUD does not review or approve any subsequent self-evaluations that owners may wish to complete.
- d. Owners, managing entities, or projects employing 15 or more persons were required to maintain on file, make available for public inspection, and provide to the Office of Fair Housing and Equal Opportunity upon request the information below for at least three years following completion of the evaluation:
1. A list of the interested persons consulted;
  2. A description of areas of the project the owner examined, and any problems identified; and
  3. A description of any modifications the owner made and of any remedial steps taken.
- e. Section 504 also required owners to develop a transition plan for completing structural changes needed to make the property readily accessible to and usable to persons with disabilities by July 11, 1991. Owners were required to prepare the plan by January 11, 1989.
1. Although the deadlines for preparing and implementing the plan have passed, transition plans are an excellent management tool for ensuring continued compliance when structural alterations to a property (e.g., building additional units) require further action to continue meeting the physical accessibility requirements of Section 504.
  2. Owners were expected to develop the plan with the assistance of interested persons. HUD recommends that transition plans include the following items that were originally required for inclusion in these plans.
    - a. Identify physical obstacles in the property that limit accessibility to persons with disabilities.
    - b. Describe in detail the methods that will be used to make the project accessible.
    - c. Specify the schedule for taking steps to achieve compliance with the requirements for structural changes, including making a minimum of 5% of the units accessible to persons with mobility impairments. If the period covered by the transition plan is longer than one year, the plan must identify steps that will be taken during each year of the transition period.
    - d. Indicate the person (and his/her title) responsible for implementing the plan.
    - e. Identify persons or groups who helped the owner prepare the plan.

### **Subsection 3: Physical Accessibility**

## 1-34. Owners' Requirements for Providing Physical Accessibility

### a. **General**

In addition to ensuring that projects are operated in a manner that protects against discrimination and promotes accessibility for persons with disabilities to enable them to participate fully in the program, there are also requirements regarding the physical accessibility of properties.

### b. **Federally Assisted Multifamily Properties Built after July 11, 1988**

Federally assisted multifamily properties built after July 11, 1988, were required to be constructed to comply with the Section 504 accessibility requirements contained in 24 CFR 8.22. This regulation requires that a minimum of 5% of the units in newly constructed multifamily housing be fully accessible in accordance with the Uniform Federal Accessibility Standards (UFAS) and an additional 2% be accessible to persons with visual and/or hearing impairments. This obligation is an absolute requirement and should have been met during construction. For buildings that fall within this category, an owner may not justify a failure to have met these requirements because of an undue financial and administrative burden.

### c. **Accessible Routes**

Owners must provide accessible routes to and throughout the property (curb cuts or modifications, i.e., ramps) and provide accessible parking spaces in an accessible location if such improvements would not result in an undue financial and administrative burden.

### d. **Common Use Facilities**

Owners must make common use facilities, or parts of facilities, and public spaces accessible to persons with disabilities, if such improvements would not result in an undue financial and administrative burden. This responsibility means that owners must do everything feasible to make these areas accessible up to the point at which any further modifications or improvements would result in an undue financial and administrative burden.

1. Public spaces include but are not limited to community rooms, laundry and trash rooms, parking spaces, entrances, sidewalks, public restrooms, and the management office.

**NOTE:** If the common use facilities are rented to the public or a business operates out of this space, Title II and/or Title III of the Americans with Disabilities Act may also apply to these facilities. For further information on this subject, please refer to the Department of Justice website at <https://www.ada.gov/regs2010/ADAregs2010.htm>.

2. Owners do not have to make each location of an amenity or facility accessible to persons with mobility impairments (e.g., each laundry room, each trash room, each entrance).
  - a. An owner may decide to make one laundry room in a central location accessible to tenants with mobility impairments or make the main entrance accessible but not the side entrances. However, if only one entrance or amenity is accessible, it must be accessible to tenants with mobility impairments who live in any part of the development. For example, it would not be appropriate to make only one laundry room accessible if the property had multiple buildings, and only tenants with mobility impairments had to go out in inclement weather to do their laundry.
  - b. The owner must make one-of-a-kind amenities or facilities accessible and usable to persons with disabilities or provide an alternative means for accessibility (management office, community space, public restroom).

e. **Physical Alterations to Existing Housing**

1. Substantial Alterations.

If an owner undertakes physical alterations to a property that has 15 or more units and the cost of the alterations is 75% or more of the replacement cost of the completed property, then the owner must follow the new construction provisions of 24 CFR 8.22 (a) and (b) which requires that a minimum of 5% of the units be made accessible for persons with mobility impairments, and 2% of the units be made accessible for persons with visual and/or hearing impairments.

2. Other Alterations.

- a. When an owner undertakes any other alterations to a multifamily property covered by this guide that do not qualify as “substantial alterations” as described above in subparagraph D.1, such alterations must be accessible, to the maximum extent feasible, until at least 5% of the units are accessible for persons with mobility impairments, and 2% of the units are accessible for persons with visual and/or hearing impairments unless HUD prescribes a higher number pursuant to 24 CFR 8.23 (b) (2).
- b. If alterations of single elements of a dwelling unit, when considered together, amount to an alteration of the dwelling unit, the owner must make the entire dwelling unit accessible.
- c. When the owner is not altering the entire unit, 100% of single elements being altered must be made accessible until 5% of the units in the property are fully UFAS accessible.
  - (1) However, HUD strongly encourages owners, when undertaking alterations, to make 5% of the units in a property

accessible up front, as that will avoid the necessity of making every element altered accessible, which may result in having partially accessible units of little or no value for persons with mobility impairments and is likely to be more costly overall.

- (2) HUD recommends owners include up to 2% of the units for persons with hearing and/or vision impairments.
  - d. See paragraph 1-42 and 24 CFR 8.23 (b) (1) for exceptions due to undue financial and administrative burden and 24 CFR 8.32 (c) for exceptions regarding alterations that require removing or altering load-bearing structural members.
3. Under Section 504, owners are not required to make structural changes in existing housing facilities where other methods, which may not cost as much, are effective in making federally assisted housing programs or activities readily accessible to and usable by persons with disabilities.

### **1-35. Building Standards**

- a. In making physical changes to dwelling units or to common areas, facilities, or parking, owners:
  - 1. Must follow the Uniform Federal Accessibility Standards (UFAS) or
  - 2. May depart from particular technical and scoping requirements of UFAS if they use other methods that provide substantially equivalent or greater access to and usability of the building.

### **1-36. Limitations on Owners' Obligations to Make Their Housing Physically Accessible to Persons with Disabilities**

- a. Owners are not required to make structural changes where other methods are effective in achieving compliance with paragraph 1-35.
- b. Owners are not required to make alterations that have little likelihood of being accomplished without removing or altering a load-bearing structural member. See 24 CFR 8.32(c).
- c. In some cases, an accessible building entrance cannot be provided without triggering one of the actions in subparagraph B above or resulting in undue financial and administrative burden. In such cases, an owner will have to take other reasonable steps to ensure program accessibility, including in some cases, making additional units accessible in other buildings operated by the owner.
- d. Owners do not have to make mechanical rooms and other spaces accessible when, because of their intended use, they do not require accessibility by the public, by tenants, or by employees with physical disabilities.
- e. Owners are not required to install an elevator solely for the purpose of making units accessible.

## **Subsection 4: Reasonable Accommodations**

### **1-37. General**

- a. In addition to owners' affirmative obligations to operate their properties in a nondiscriminatory manner and the specific requirements to make properties physically accessible to persons with disabilities, owners must also consider requests for reasonable accommodations from applicants and tenants with disabilities.
- b. An owner's responsibility to consider requests for reasonable accommodations is separate and distinct from the nondiscrimination and accessibility requirements discussed above in Subsections 2 and 3.
- c. It is strongly recommended that owners include statements about the right of individuals with disabilities to request reasonable accommodations in all written notices given to applicants and tenants.

### **1-38. What Are Reasonable Accommodations?**

- a. A reasonable accommodation is a change, exception, or adjustment to a program, service, building, dwelling unit, or workplace that will allow a qualified person with a disability to:
  1. Participate fully in a program.
  2. Take advantage of a service.
  3. Live in a dwelling; or
  4. Perform a job.
- b. Reasonable accommodations include, for example, those that are necessary for a person with a disability to use and enjoy a dwelling.
- c. To show that the requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

### **1-39. Key Principles Regarding Reasonable Accommodations**

- a. When a family member requires an accessible feature(s), policy modification, or other reasonable accommodation to accommodate a disability, the owner must provide the requested accommodation unless doing so would result in a fundamental alteration in the nature of the program or an undue financial and administrative burden. A fundamental alteration is a modification that is so significant that it alters the essential nature of the provider's operations.

- b. If providing such accommodation(s) would result in an undue financial and administrative burden, the owner must take any other action that would not result in an undue burden.
- c. If a provider refuses a requested accommodation because it is not reasonable, the provider should engage in an interactive dialogue with the requester to determine if there is an alternative accommodation that would adequately address the requester's disability-related needs. If an alternative accommodation would meet the individual's needs and is reasonable, the provider must grant it.
- d. Under both Section 504 and the Fair Housing Act, a tenant or applicant for housing makes a reasonable accommodation request whenever he or she makes it clear to the housing provider that a request is being made for an exception, change, or adjustment to a rule, policy, practice, service, or physical structure because of his or her disability. A request can be made by the person with the disability, a family member, or someone else acting on the individual's behalf.
- e. Although a request can be made orally or in writing, it is usually helpful for both the individual with the disability and the housing provider if the request is reduced to writing. If the individual with a disability requires assistance in providing a written reasonable accommodation request, the housing provider should assist the individual with a disability with this request.
- f. Providers have an obligation to provide prompt responses to reasonable accommodations requests.

**1-40. Reasonable Accommodations – Property Operations**

Owners must make reasonable adjustments to their rules, policies, practices, and procedures in order to enable an applicant or resident with a disability to have an equal opportunity to use and enjoy the unit and the common areas of a dwelling, or to participate in or have access to other activities conducted or sponsored by the owner.

**1-41. Reasonable Accommodations – Physical Alterations**

- a. Generally, owners subject to Section 504 requirements must make and pay for structural modifications to dwelling units and common areas when needed as a reasonable accommodation based on a request by a tenant or applicant with a disability

**NOTE:** Alterations and structural changes must be made in conformance with paragraph 1-36 A, Building Standards.

- b. If the owner provides a reasonable accommodation by making a requested structural modification to a unit, this does not mean that the unit can automatically be counted as a fully accessible unit that meets the UFAS standard, unless the modifications made by the owner actually bring the unit into compliance with that standard.

### **Examples – When Owners Must Make Reasonable Accommodations**

An owner has a policy of updating its waiting list by sending out letters to applicants to see if they are still interested in remaining on the waiting list. If a person does not respond within a certain amount of time, the owner removes the individual from the waiting list. Because of an individual's disability, he is unable to understand the nature of this communication and therefore does not respond to the letter. If requested, the owner would have to reinstate the person to the original position on the waiting list as a reasonable accommodation to that individual's disability.

An owner that does not allow residents to have animals must modify the property's policies and allow a tenant with a disability to have an assistance animal if the animal is needed as a reasonable accommodation.

An owner has a policy of only sending rent notices and other documents to tenants. An applicant with a disability that periodically results in temporary memory loss requests a reasonable accommodation that a copy of all rent notices and requests for information also be sent to a relative who lives in the community. The owner should modify this policy and send the notices to the designated individual to give the resident an equal opportunity to use her dwelling and comply with her lease obligations.

An owner requires tenants to pay rent by personal check. One resident has a disability and is unable to manage a personal checking account. The owner must allow that resident's request for an accommodation to pay rent in cash or by money order, as this is a reasonable adjustment to the property's policy that will allow this resident to have an equal opportunity to participate in the housing program.

### **Examples – Requests for Reasonable Accommodations or Housing Adjustments**

An applicant who is hearing impaired has been determined to be otherwise qualified under program requirements and the owner's tenant selection plan. The applicant asks that her unit be fitted with a visual smoke detector. The owner must accommodate the request unless it would result in an undue financial and administrative burden. This limitation applies to all the examples.

An individual with a mobility impairment request that grab bars be installed in the bathroom.

A visually impaired tenant requests a name plate/unit number in Braille on the mailbox.

A hearing-impaired tenant requests visual intercom to know when guests have arrived and to receive notice that he has messages at the office. If the owner already provides some type of intercom service to all tenants, he must accommodate this request. However, if the owner provides no such service, he can deny the request if he determines that it would represent a support service not provided by the project and providing this request would result in a fundamental alteration of the program or undue financial and administrative burden.

#### **1-42. Limits on Obligations to Provide Reasonable Accommodations**

- a. **Fundamental Alteration.** Owners are not required to take any action that would result in a fundamental alteration in the nature of the program. A fundamental alteration is a change so significant that it alters the essential nature of a provider's operations. For a detailed explanation of fundamental alteration, see Exhibit 1-5.
- b. **Undue Financial and Administrative Burden.** The determination of undue financial and administrative burden must be made on a case-by-case basis, involving various factors, such as the cost of the reasonable accommodation, the financial resources of the provider, the benefits the accommodation would provide to the requester, and the availability of alternative accommodations that would adequately meet the requester's disability-related needs. For examples of undue financial and administrative burden, see Exhibit 1-6.
- c. Owners are not required to make structural changes that would impose an undue financial and administrative burden, even if alternatives to making housing programs or activities readily accessible to and usable by persons with disabilities are not effective.
  1. HUD Field Offices will consider a request to use the residual receipts account to pay for alterations under Section 504.
  2. Under HUD requirements, the reserve for replacement account is to be used for replacing existing items. (See Guide 4350.1, *Multifamily Asset Management and Project Servicing*.) If HUD approval is received for using the reserve for replacement account for any other purpose (e.g., Section 504 alterations), then the account must be replenished through property rental income, generally within one year.

- d. When a request for a reasonable accommodation will result in an undue financial and administrative burden, the owner must provide all other needed accommodations up to the point at which further accommodations would result in an undue financial and administrative burden.

**Example – Reasonable Accommodation that Creates an Undue Financial and Administrative Burden**

Project A is a 100-unit complex. A tenant in this project needs more than \$5,000 in structural changes for his unit to be accessible to him. The owner of Project A could not cover the costs of such extensive structural changes without a rent increase. The replacement reserve cannot be replenished within one year. The project does not have sufficient administrative staff to explore numerous possibilities for obtaining funding for such structural changes. Generally, an owner would not be required to make such extensive structural changes because of the burden involved. Note that the amount an owner is required to spend to make units accessible could vary based on the size of the project – what the owner of a large project may be able to spend in making units accessible may be an undue burden on smaller projects.

**Example – Reasonable Accommodation that Does Not Create an Undue Financial and Administrative Burden**

An applicant with a mobility impairment wants to live in a dwelling unit at a particular rental housing property. The owner requires all tenants to hand-deliver their rent to the rental office. The unit is almost a block away from the rental office, but there is a mailbox located just a few yards from the unit entry door. Under 24 CFR 100.204, the owner or manager of an apartment complex must permit the applicant to mail the rent payment to the rental office. This policy accommodation would not pose an undue financial and administrative burden on the owner and allows the applicant to have equal opportunity to use and enjoy the unit.

- e. For other guidance on how to determine whether a reasonable accommodation would result in an undue financial and administrative burden, refer to HUD Guide 4350.1, *Multifamily Asset Management and Project Servicing*.

**1-43. Assistance Animals as a Reasonable Accommodation**

- a. Assistance animals are not pets. They are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or animals that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as “service animals,” “assistance animals,” “support animals,” or “therapy animals” – perform many disability-related functions, including but not limited to guiding individuals who are

visually-impaired or, alerting individuals who are hearing-impaired, providing minimal protection or rescue assistance, pulling a wheelchair, fetching items, alerting persons to impending seizures, or providing emotional support to persons who have a disability-related need for such support.

- b. A housing provider may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves, and, in some cases, no special training is required. The question is whether or not the animal performs the disability-related assistance or provides the disability-related benefit needed by the person with the disability.
- c. A housing provider's refusal to modify or provide an exception to a "no pets" rule or policy to permit a person with a disability to use and live with an assistance animal would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless:
  - 1. The animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation,
  - 2. The animal would cause substantial physical damage to the property of others,
  - 3. The presence of the assistance animal would pose an undue financial and administrative burden to the provider, or
  - 4. The presence of the assistance animal would fundamentally alter the nature of the provider's services.
- d. The fact that a person has a disability does not automatically entitle him or her to an assistance animal. There must be a relationship between the person's disability and his or her need for the animal.
- e. A housing provider may not require an applicant or tenant to pay a fee or a pet deposit as a condition of allowing the applicant or tenant to keep the assistance animal. However, if the individual's assistance animal causes damage to the applicant's unit or the common areas of the dwelling, at that time, the housing provider may charge the individual for the cost of repairing the damage if the provider regularly charges tenants for any damage they cause to the premises.

## **Subsection 5: Additional Fair Housing Act Requirements**

### **1-44. Fair Housing Act Basic Accessibility Requirements**

The Fair Housing Act requires that all buildings designed and constructed for first occupancy after March 13, 1991, meet certain basic accessibility requirements. This requirement applies to all new construction, regardless of the presence of federal financial assistance. See 24 CFR 100.205. Owners of properties that should have been constructed in accordance with these requirements but were not, are obligated to retrofit their units to

bring them into compliance with the Act. If a tenant in one of these properties requests modifications to a unit that should have been made at the time of construction, the owner has an affirmative obligation to make and pay for those modifications as part of its original obligation to conform to the Fair Housing Act design and construction requirements.

**1-45. Additional Fair Housing Act Requirements to Allow Tenant Modification of the Premises**

- a. A person with disabilities has the right under the Fair Housing Act to make reasonable modifications to any part of his or her unit or the related common areas at his or her own expense.
- b. In HUD subsidized multifamily housing, the Section 504 requirements placing the responsibility on the owner to pay for requested reasonable accommodations, including structural changes to the premises, **supersede** the Fair Housing Act provisions placing the burden of paying for structural changes on the tenant. In the circumstance where the requested structural modification to a HUD-funded property does constitute an undue financial and administrative burden, and the tenant still wanted that particular modification to be made, the Fair Housing Act would then authorize the tenant to make and pay for the accommodation.

**1-46. Owner and Tenant Responsibilities When Tenant Modifies Unit in Accordance with the Fair Housing Act**

- a. Owners must permit the modifications if they are reasonable and may be necessary to afford a person with a disability full enjoyment of the premises.
- b. Owners may, where it is reasonable to do so, impose the condition that when vacating the unit, the tenant will restore the interior of the premises to the state that existed before the modification, reasonable wear and tear excepted. The owner should not require the tenant to restore the unit to the state that existed before the modification if the modification benefits the property or is needed by another tenant.

**Example – Owners Requiring Tenants to Restore Units to Their Original Condition**

For marketing reasons or operational considerations, the owner may require the tenant to raise cabinets that have been lowered or replace roll-under lavatories with the previously existing vanity/sink combination.

- c. Owners may not require any increased security deposits for persons with disabilities. However, where it is necessary to ensure that funds will be available to pay for restorations at the end of the tenancy, the Fair Housing Act allows the owner to negotiate as part of a restoration agreement, a provision requiring that the tenant pay into an interest-bearing escrow account, over a reasonable period, a reasonable amount of money not to exceed the cost of the restorations. The interest of such an account must accrue to the benefit of the tenant.
- d. Owners may condition permission for a modification on the tenant's providing reasonable assurances that the work will be done in a workmanlike manner and that any required building permits will be obtained.

#### **Section 4: Housing Discrimination Complaints and Compliance Reviews**

##### **1-47. Housing Discrimination Complaints**

- a. HUD is responsible for responding to complaints involving the Fair Housing Act, Section 504 requirements, and other civil rights requirements.
- b. Anyone who believes that he or she has been subject to discriminatory treatment from the owner of a particular property may file a housing discrimination complaint.
- c. If applicants or tenants indicate to an owner that they want to file a housing discrimination complaint, the owner should:
  - 1. Refer the individual to HUD;
  - 2. Provide the individual with FHEO's pamphlet, Fair Housing – It's Your Right (HUD-1686-FHEO, March 2001); and/or
  - 3. Review his/her property's policies and procedures to determine whether the individual's assertions have any merit and make corrections as necessary to ensure compliance with Fair Housing requirements.
- d. Housing discrimination complaints should be directed to the HUD Regional Office of Fair Housing and Equal Opportunity located in Boston, MA. However, CHRO is fully authorized by contract with HUD to take federal complaints for HUD under Title 8 and to refer potential complaints to HUD for filing under the ADA and Section 504 of the Rehabilitation Act. Due to Connecticut's shorter filing deadline, referral to CHRO first will be more likely to result in timely filing and faster processing or resolution. CHRO has a local office in Hartford, CT. CHRO can meet with a complainant in Hartford, at one of its four regional offices or at the person's home if necessary.

### **Distribution of Accessible Units**

Paragraph 1-24 requires owners to the maximum extent feasible, to distribute accessible units throughout projects and sites subject to reasonable health and safety requirements.

Reasonable requirements include the following:

1. Adhering to building codes that cover the distribution of accessible units.
  - a. Any building codes used for a project that are not referenced in the *Minimum Property Standards Guide* (4910.1) must be approved by the HUD Field Office.
  - b. Note that the Minimum Property standards, ANSI 117.1, and the Uniform Federal Accessibility Standards do not cover the distribution of accessible units.

OR

2. Following local or state health and safety requirements for the distribution of accessible units throughout the project and site when there is no HUD-approved building code that covers the distribution of accessible units.

OR

3. Establishing owner health and safety standards for distributing accessible units in the absence of building codes or local or state health and safety requirements that cover the distribution of accessible units. The Office of Fair Housing may ask to see such standards to determine if they are reasonable.

**Examples of Requests for Auxiliary Aids and Reasonable Accommodations by Persons with Disabilities**

**NOTES:**

*Whether an owner must provide an auxiliary aid or reasonable accommodation will depend on the facts and circumstances of each case.*

REQUEST	FULFILL REQUEST?
Visually impaired tenant requests tactile signage on the mailbox.	YES.
Hearing-impaired tenant prefers face-to-face communications and requests the owner to provide a sign language interpreter for all meetings.	The owner may deny this request when a telecommunications device for the hearing-impaired or equally effective system would suffice. However, there may be certain types of meetings where the only way to provide effective communication is to provide a sign language interpreter and in such a situation the interpreter must be provided unless it would be an undue financial and administrative burden.
Applicant who is hearing impaired has been determined to be otherwise qualified under program requirements and the owner's tenant selection plan. She asks that her unit be fitted with a visual smoke detector.	YES.
Applicant who is visually impaired asks to review a lease with enlarged print.	Owner must accommodate this request because the owner can easily and inexpensively have these documents photocopied with enlarged print.

<p>Visually impaired applicant requests a copy of application, lease, and HUD 50059 in Braille.</p>	<p>With the initial request, by a tenant or applicant, the owner would have to investigate the burdens of providing these documents in Braille. If the owner determines that it is an undue administrative and financial burden, the owner must seek other methods of communication that are not undue burdens. As alternatives, the owner may consider providing the applicant with a tape recording of these documents or having an office staff person or other person read the materials to the applicant/tenant. Applicants/tenants who need material in Braille often know of sources for this service performed at reasonable cost.</p>
<p>Applicant to a family property is a quadriplegic and uses an assistance animal. The applicant requests the owner to waive a policy prohibiting animals in units to permit him to use an assistance animal.</p>	<p>YES. The owner must permit the applicant to keep the assistance animal if needed as a reasonable accommodation to afford him equal opportunity to use and enjoy the unit and property.</p>
<p>Visually impaired tenant requests copies of the day-to-day communications in Braille (notices of recertification, communications regarding maintenance services, eviction notice).</p>	<p>The owner investigates the feasibility of providing such communications in Braille. If owner determines that this would be an undue financial and administrative burden, the owner must take other steps to accommodate the tenant (e.g., call tenant on telephone to relay information, provide tape recording of lengthy information or of information for which owner wants to keep record).</p>
<p>Owner requires tenants to pay their rent at the office. Tenant who is mobility impaired requests as a reasonable accommodation to mail the rent check.</p>	<p>YES</p>
<p>Tenant with emotional disability requests assistance animal as reasonable accommodation and provides documentation of a nexus between disability and need for the animal.</p>	<p>YES</p>

<p>Otherwise, eligible applicant with mobility impairment wishes to rent federally assisted townhouse and asks that an elevator be installed in the unit as a reasonable accommodation</p>	<p>Likely, provision of an elevator will pose an undue financial and administrative burden. However, the landlord should explore other options (if any), for accommodating the applicant in this or a different unit.</p>
<p>Tenant with mobility impairment requests that grab bars be installed in her bathroom.</p>	<p>YES, unless provision of these grab bars would be an undue administrative and financial burden.</p>
<p>Tenant who uses a walker asks that she be moved to a first-floor apartment as an accommodation for her physical disability since she cannot climb stairs.</p>	<p>YES, as soon as a first-floor apartment is available.</p>

**Sample Notification of Nondiscrimination Based on Disability Status**

Owners must provide the information specified in paragraph 1-28 in all written communications with the public. Owners may use this exhibit as guidance in providing this information.

**INSTRUCTIONS:**

Paragraphs 1 and 2 and the name and address apply to owners, managing entities, or projects employing 15 or more people.

Paragraph 1 applies to all other properties.

1. (Owner or project name)\_\_\_\_\_does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities.
2. The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development’s regulations implementing Section 504 (24 CFR, part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

(\_\_\_\_)\_\_\_\_\_  
Telephone - Voice

(\_\_\_\_)\_\_\_\_\_  
Telephone – TTY

**Suggested Checklist to Determine Whether a Communication System is an Equally Effective Alternative to the TTY**

Required Criteria	Meets	Does Not Meet
<p>1. Provides a simultaneous connection between calling and receiving parties.</p> <p>a. There are two phone lines: one for the TTY and a second for the regular telephone.</p> <p>b. An operator serves as a “link” between hearing-impaired and hearing parties, simultaneously typing or “voicing” information they receive from either phone line.</p>		
<p>2. Guarantees confidentiality.</p> <p>a. Operators do not discuss with other persons the names of calling and receiving parties or any information exchanged during conversations.</p> <p>b. Operators know their role as a neutral “link” and do not participate in conversations between the two parties or volunteer information to either party.</p> <p>c. Any printed copies made of conversations are disposed of routinely.</p>		

<p>3. Is usable by both local and long-distance callers at no greater cost to the caller than the same call would be if placed on other telephone systems made available by the owner.</p>		
<p>4. Is available for use during all normal working hours.</p>		
<p>5. Places no time limits on calls.</p>		
<p>6. Refuses no calls.</p>		
<p>7. Alters no conversations. Operators convey all information accurately; they do not “edit” conversations in any way.</p>		
<p>8. Has the capacity to handle a reasonable number of calls without undue delay.</p> <p>a. Appropriate outreach efforts have been published and the system has been appropriately advertised so that callers in both the hearing-impaired and hearing communities are aware of its existence.</p> <p>b. If there is a heavy volume of calls, the system can place callers on hold for short periods of time until an operator becomes available.</p>		

### Examples of Fundamental Alterations

Actions that would result in a fundamental alteration in the nature of a recipient's (owner's) program or activity may include the following:

1. Actions that would require substantial modifications to or the elimination of essential lease or program requirements;
2. Actions that would require the owner to provide supportive services, e.g., counseling, medical, or social services that fall outside the scope of the services that the owner offers to tenants; and
3. Actions that would require the owner to offer housing of a fundamentally different nature than the type of housing that the owner does offer.

#### Examples – Fundamental Alterations

##### **Example of alterations in the nature of the program or activity.**

IMPORTANT - In evaluating whether a fundamental alteration would occur, owners must consider the facts and circumstances of each case.

Jim suffers from a neurological disorder that requires 24-hour nursing care. The owner does not provide this medical service in the housing that he offers. Although the owner must allow Jim to obtain the nursing care on his own, it would constitute a fundamental alteration in the nature of the program or activity to require the owner to provide this medical service at the owner's expense.

##### **Examples of alterations in the nature of the program or activity that are not fundamental are the following.**

Jean is a quadriplegic and uses a dog to assist her in her daily living. She lives in a family project that forbids tenants from keeping animals in their units. It would not constitute a fundamental alteration in the nature of the program or activity to require the owner to make an exception to the rule so that Jean can keep her assistance animal.

Delores is hearing impaired and requests that the owner provide closed captioning on the television in the project's community room. It would not constitute a fundamental alteration in the nature of the program or activity to require the owner to purchase a closed caption decoder and attach it to the television.

### Examples of Undue Financial and Administrative Burden

Neither Section 504 nor the Fair Housing Act requires owners to provide accommodations that are an undue financial and administrative burden. Whether a particular accommodation will be an undue financial and administrative burden will depend on the facts and circumstances of the individual case. The following examples describe circumstances in which the owner generally would not be required to provide the particular accommodation requested. See also paragraph 1-42, which provides further guidance on determining whether undue financial and administrative burdens exist.

1. Marge, who suffers from chemical sensitivity disorder, has requested that the owner survey all tenants in the building to determine the time of day and the chemicals they will use to clean their units. She has asked that the owner compile this information for her on a weekly basis so that she can plan to be away from her unit at the time certain chemicals are used. For the owner to accommodate Marge, it would require an ongoing administrative burden that could not be handled by the existing staff. However, it would not be an undue financial and administrative burden for the owner to notify Marge in advance before cleaning common areas and to use non-chemical alternative cleaning methods where practical.
2. The owner has made the community room available to a local service organization every Wednesday morning to provide routine health screenings to the tenants. William, Delores, Ann, and Rene, who are individuals with disabilities, all have conflicts with the scheduled day because of their own regularly scheduled medical appointments. Each has requested that the screening services be provided on a different day. It would be an undue financial and administrative burden for the owner to coordinate these requests and to decide which tenant will be accommodated and which ones will not. However, it would not be an undue financial and administrative burden for the owner to request that the local service organization vary its schedule so that more tenants could be accommodated.
3. Tom has a mobility impairment. He requests that the owner of his HUD assisted project make his unit accessible by making extensive modifications to the unit. The owner gets two estimates of the cost of doing the modifications. The project rental income will not cover even the lower of the bids without a rent increase or a reduction in services or benefits to other tenants. However, the project has a large residual receipts account. The owner in this example requests HUD approval to use money from this account to accommodate Tom's request. The owner receives HUD approval and makes the requested alterations.

**NOTE:** HUD will consider a request to use residual receipts to pay for alterations under Section 504. If this property was owned by a housing provider that was not covered by Section 504, then under the Fair Housing Act, Tom would still have the right to make the alterations he needs at his own expense.

4. Diane has a mobility impairment. She asks the owner of her HUD assisted project to make her unit accessible by making extensive modifications to the unit. As in the first example, the project rental income will not cover the cost of the alterations. In this example, the project does not have funds in the residual receipts account but does have a large reserve for replacement account.

In this case, the cheapest estimate to accommodate Diane's request is sizable enough to require a rent increase to replenish the reserve for replacement account within one year. It would be a financial and administrative burden for the owner to make all the modifications requested, but it may not be a financial and administrative burden for the owner to make some of the modifications and allow Diane to make the rest at her own expense.

5. Midtown Apartments is a HUD assisted housing project. There are five parking spaces located outside the main entrance to the building and another parking lot with 20 spaces a half block away. All five of the parking spaces near the entrance to the building have been assigned to disabled residents who need a parking space near their door because of their disabilities. A sixth tenant with a mobility impairment moves into Midtown Apartments and requests a parking space near his door. The owner has explored the options and concluded that the only way to provide more parking spaces near the door would be to widen the parking area by purchasing valuable real estate next door. It would be an undue financial and administrative burden for the owner to provide the sixth tenant with a parking space near the entrance, however, it would be an appropriate accommodation for the owner to provide the sixth tenant with an assigned parking space in the lot a half block away until such time as one of the five spaces near the door becomes available.

**Affirmative Fair Housing Marketing Plan (FORM AA-5)**

<b>Applicant Name:</b> <hr/>	
<b>Project Name:</b>	
<b>1. INTRODUCTION</b>	
<p>DOH and CHFA are legislatively mandated under Section 8-37ee of the Connecticut General Statutes and the Connecticut Fair Housing Act, 46a-64b et seq. to promote fair housing choice and racial and economic integration in all housing funded in whole or in part by the state of Connecticut. Further, owners of state assisted housing are responsible for including in their Affirmative Fair Housing Marketing Plan provisions for the recruitment of an applicant pool that includes residents of municipalities of relatively high populations of those that would be least likely to apply. These groups include White (Non-Hispanic) and members of minority groups: Blacks (Non-Hispanic), American Indians/Alaskan Natives, Hispanics and Asian/Pacific Islanders in the Metropolitan Statistical Area (MSA) or housing market area who may be subject to housing discrimination. At least 20 percent of the units must be targeted to the group(s) identified as "least likely to apply." Groups "least likely to apply" include people with disabilities and families with children.</p>	
<b>2. APPLICATION AND PROJECT IDENTIFICATION</b>	
<b>A. Applicant Information</b>	<b>B. Project or Application Number:</b>
Name:	Number of Units:
Address (City, State & Zip Code):	Price or Rental Range of Units From \$            To \$
Telephone #:	
<b>C. Project Information</b>	<b>D. Date of Initial Occupancy</b>
Name of Project	Approximate Starting Dates
Address (City, State & Zip Code)	Advertising:            Occupancy:
County:	<b>E. Managing/Sales Agent Name:</b>
Census Tract:	Managing/Sales Agent Address: (City, State & Zip Code)

**F. Housing or Expanded Housing Market Area**

**3. DETERMINING TYPE OF AFFIRMATIVE MARKETING PLAN**

**A.** Indicate type of Project:  Project Plan  Scattered site units

**4. DIRECTION OF MARKETING ACTIVITY**

**A.** Complete Worksheet 1 (attached) to determine who is least likely to apply.

**B.** Indicate below which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts.

White (non-Hispanic);  Black Non-Hispanic;  American Indian/Alaskan natives  
 Hispanic;  Asian or Pacific Islander;  People with disabilities;  
 Families with children (See instructions if this is elderly or elderly/disabled housing)

**5. MARKETING PROGRAM**

**A. COMMERCIAL MEDIA**

Check the media to be used to advertise the availability of this housing.

Newspaper(s)/Publication(s)  Radio  TV  Web-based ads  
 Other (specify)

NAME OF COMMERCIAL MEDIA OUTLET (1)	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE (2)	SIZE/DURATION OF ADVERTISING (3)	MEDIA TARGETED TO PEOPLE WITH DISABILITIES/FAMILIES WITH CHILDREN (4)

**B. BROCHURE, SIGNS, AND FAIR HOUSING POSTER:**

(1) Will brochures, leaflets, or handouts be used to advertise?  Yes  No  
 If yes, attach a copy and a list of where the brochures, leaflets or handouts are distributed.

(2) For project sign; Indicate sign size \_\_\_\_\_  
 Attach a photograph of project sign.

(3) Fair Housing Posters which include both state and federally protected classes must be conspicuously displayed whenever sales/rentals and showings take place.

Where will they be displayed?  Sales/Rental Office(s);  Real Estate Office(s);  Model Unit(s);  Other \_\_\_\_\_

**C. COMMUNITY CONTACTS**

To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/ organizations identified in Exhibit #6 that are located in the housing market area of SMSA. Notify DOH of any changes in this list. Provide all requested information on Exhibit AA-5 #7 included in this form and attach a copy of correspondence to be mailed to these groups/organizations.

**6. ANTICIPATED OCCUPANCY/RESULTS**

State in number of units the racial/ethnic mix of occupants anticipated as a result of the implementation of this affirmative marketing plan.

White (non-Hispanic);  Black Non-Hispanic;  American Indian/Alaskan natives  
 Hispanic;  Asian or Pacific Islander;  People with disabilities;  
Families with children (See instructions if this is elderly or elderly/disabled housing)

**7. EVALUATION OF MARKETING ACTIVITIES**

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting the group(s) least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process. Attach as Exhibit AA-5 #8.

## 8. EXPERIENCE AND STAFF INSTRUCTIONS

### A. Staff training and Assessment:

- 1) Has staff been trained on the use of this AFHMP?  Yes  No
  
- 2) Is there ongoing training on the use of this AFHMP and the fair housing laws?  
 Yes  No
  
- 3) If yes, who provides it?
  
- 4) Do you periodically assess staff skills, including their understanding of the use of this AFHMP and their responsibilities when using it?  Yes  No
  
- 5) If yes, how and how often?
  
- 6) Has staff been trained on tenant selection or the program requirements for homeownership units or homeownership assistance in accordance with the project's policies?  Yes  No
  
- 7) What staff positions are/will be responsible for determining eligibility for rental units, homeownership or rehab assistance?

## 9. ADDITIONAL CONSIDERATIONS (To be submitted by housing operator, if different from applicant)

- A. Submit a Fair Housing Policy Statement. (Exhibit AA-5 #1)
- B. Submit a list of fair housing trainings attended by staff. (Exhibit AA-5 #2)
- C. Submit an Affirmative Action Policy Statement. (Exhibit AA-5 #3)
- D. Submit an ADA Grievance Procedure. (Exhibit AA-5 #4)
- E. Submit an ADA Notice. (Exhibit AA-5 #5)
- F. Submit eligibility requirements for the program or project. (Exhibit AA-5 #6)

**10. SIGNATURES (By signing this form, the applicant agrees, after appropriate consultation with DOH to change any part of the AFHMP covering a multifamily project to assure continued compliance with the CT Fair Housing Regulations).**

**Signature of Person Submitting Plan:**

**Name (Type or Print):**

**Title and Company:**

**Date:**

**Signature of Project Operator/Manager:**

**Name (Type or Print):**

**Title and Company:**

**Date:**

**\*\*FOR AGENCY USE ONLY\*\***

Approved by:	Disapproved by:
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

**Affirmative Fair Housing Marketing Plan (FORM AA-5) Submission Checklist**

- Completed blocks 1-10 of Form AA-5
- Fair Housing Policy Statement. (Exhibit AA-5 #1)
- List of fair housing trainings attended by staff. (Exhibit AA-5 #2)
- Affirmative Action Policy Statement. (Exhibit AA-5 #3)
- ADA Grievance Procedure. (Exhibit AA-5 #4)
- ADA Notice. (Exhibit AA-5 #5)
- Eligibility requirements for the program or project. (Exhibit AA-5 #6)
- Community Contacts (Exhibit AA-5 #7) with copy of correspondence
- Evaluation of Marketing Activities (Exhibit AA-5 #8)
- Copy of brochure/leaflet/handout and distribution list, if applicable
- Photograph of project sign, if applicable
- Worksheet 1
- Maps showing the Housing Market Area (Worksheet 1 Exhibit #1)
- Maps showing the Expanded Housing Market, if applicable (Worksheet 1 Exhibit #2)

**Exhibit AA-5 #7**

**Community Contacts**

<b>Name of Group/Organization</b>  <b>(1)</b>	<b>Group Identification</b>  <b>(2)</b>	<b>Approximate Date of Contact or Proposed Contact</b>  <b>(3)</b>	<b>Person Contacted or To Be Contacted</b>  <b>(4)</b>	<b>Address &amp; Phone #</b>  <b>(5)</b>	<b>Method of Contact</b>  <b>(6)</b>	<b>Indicate how organization will assist in implementing the marketing programs</b>  <b>(7)</b>

**\*\*Attach a copy of correspondence to be mailed to these groups/organizations.\*\***

## FORM AA5 Instructions

### DOH Affirmative Fair Housing Marketing Plan Part 1 - Introduction

DOH and CHFA are legislatively mandated under Section 8-37ee of the Connecticut General Statutes and the Connecticut Fair Housing Act, 46a-64b et seq. to promote fair housing choice and racial and economic integration in all housing funded in whole or in part by the state of Connecticut. Further, owners of state assisted housing are responsible for including in their Affirmative Fair Housing Marketing Plan provisions for the recruitment of an applicant pool that includes residents of municipalities of relatively high populations of those that would be least likely to apply. These groups include White (Non-Hispanic) and members of minority groups: Blacks (Non-Hispanic), American Indians/Alaskan Natives, Hispanics and Asian/Pacific Islanders in the Metropolitan Statistical Area (MSA) or housing market area who may be subject to housing discrimination. At least 20 percent of the units must be targeted to the group(s) identified as “least likely to apply.” Groups “least likely to apply” include people with disabilities and families with children.

**In addition, even though housing providers and developers are not required to market to all protected classes, all participants must not discriminate based on race, color, religion, sex, national origin, ancestry, sexual orientation, creed, marital status, learning disability, mental or physical disability, including but not limited to blindness, age, family status, marital status, sexual orientation, age, lawful source of income, or gender identity or expression.**

The applicant shall describe on this form the activities it proposes to carry out during marketing, and, where applicable, the initial sales, application, or rent-up period. The marketing program should also assure that any group(s) of person normally NOT likely to apply for the housing without special outreach efforts (because of existing neighborhood racial or ethnic patterns, location of housing in the Primary Metropolitan Statistical Area, price or other factors), know about the housing, feel welcome to apply and have the opportunity to buy, rent, or apply for rehabilitation funds. In addition to the specific advertising activities, please describe activities relating to instructions and or training that is provided to staff on fair housing.

Marketing activities are required throughout the life of the mortgage, assistance agreement or regulatory agreement - whichever is longer. The AFHMP must be available for public inspection.

In filling out this form, in addition to these instructions, recipients should use the following for guidance:

1. Conn. Agencies Regs. §§8-37ee-1 – 17 and 300 –314;

2. HUD's Multifamily Asset Management and Project Servicing Handbook--4350.3 Rev. 1, Change 4 for additional assistance with tenant selection policies.

## **Introduction**

The AA-5 is to be used to market the following types housing for which an entity receives financial assistance:

- rental units--rental projects of five or more units or five or more scattered site rental units;
- Homeownership units—five or more units for sale in a subdivision or scattered site receiving development assistance; and
- Homeownership assistance—assistance to purchase (DPA or other) or rehabilitate homeownership units.

## **Part 2 - Application and Project Identification**

**2A**—For all proposed projects, the applicant is the name of the entity applying for or receiving the financial assistance. The address is the telephone number, address, city, state, and zip code of the entity applying for or receiving the housing assistance.

**2B**—The Project or Application Number is the project or application number assigned by DOH or the entity providing the financial assistance. If this is a new project or application, the project or application number is TBD or to be decided.

Price or Rental Range of Units—For rental units, put in the total rent to be charged for the units including the rent paid by the tenant and the amount of the housing subsidy. If the application is for homeownership units, put in the range of home sales prices. For homeownership assistance, write the minimum and maximum amount of assistance that may be available under the program

**2C**—This portion of the AA-5 asks for information about the project or program applying for financial assistance. For example, the name of the entity making the application is the Town of Wallingford even though the Town will be sub-contracting with a subsidized housing provider to use the money to rehab existing rental units. Include the address, county and census tract where the project is located.

**2D**—For rental units or homeownership units, the applicants/recipients must state the date of initial occupancy of the project. If this is an initial AFHMP, specify the date initial occupancy is projected to begin. Under "Approximate Starting Dates," state the date advertising is scheduled to begin to groups targeted for special outreach followed by the approximate date on which applicants will be notified of their acceptance or placement on the waiting list. If this is an annual AFHMP or updated AFHMP, fill in the date the project was first occupied under "Initial Occupancy." Advertising must begin at least 90 days prior to occupancy or prior to a waiting list opening.

For homeownership assistance, include information on the approximate starting date of the advertising the availability of the housing assistance. Advertising must begin at least 90 days prior to the date the funds will be available. Do not fill out the portion of 2D which requests information on the approximate starting date of occupancy.

**2E**—This box is to be completed only if the applicant/recipient is not going to be implementing the AFHMP or the applicant/recipient will not be managing the units.

**2F**—Part F asks the applicant/recipient to identify the housing market area or the expanded housing market area. All applicants for financial assistance for rental units or homeownership units must complete the section asking for a housing market area. A **housing market area** is the area (not necessarily the census tract, but the entire geographic area) from which the owner or manager of the project may reasonably expect to draw a substantial number of its applicants. If a housing market area is not demographically diverse in terms of race, color, national origin, religion, sex, disability, or familial status, an **expanded housing market area** must be used. An expanded housing market area is a larger geographic area that may provide additional diversity. Respondents should indicate the housing or expanded housing market area in which the housing is/will be located, e.g., “City of \_\_\_\_\_” for housing market area, or “City of \_\_\_\_\_” and “County of \_\_\_\_\_” for expanded housing market area.

For homeownership assistance, the housing market area is the entire town or municipality or region, if applicable, applying for the financial assistance. An expanded housing marketing area does not have to be used for homeownership assistance if the program is limited to one town as may be the case in the Small Cities Program.

### **Part 3 – Determining Type of Affirmative Marketing Plan**

**3A**—Applicants for rental or homeownership units in a subdivision should check that this is a project plan. Applicants for rental units, homeownership units, homeownership assistance that are not in a subdivision should check that this is scattered site units. Applicants for homeownership units or homeownership assistance are to submit individual annual plans based on the racial composition of each census tract where the housing will be built. For example, if a builder plans to construct units in minority and non-minority census tracts, separate plans shall be submitted.

### **Part 4 - Direction of Marketing Activity**

**Block 4a**– Complete Worksheet 1 in accordance with instructions.

**Block 4b**– Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply by identifying which groups. Those “least likely to apply” typically will be those groups with the smallest presence in the housing project, census tract, housing market area or expanded housing market area.

If this is a project built or created for the elderly or the project is built for the elderly and disabled, the complex does not have to market to families with children so long as the complex complies with one of the following:

1. The complex is solely occupied by persons sixty-two years of age or older; or
2. The complex has 80% of its units occupied by persons fifty-five years of age or older.

## **Part 5 - Marketing Program**

The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 4 of the Plan as “least likely to apply.” Marketing must include the dissemination of information to the largest city located in the nearest Primary Metropolitan Statistical Area, Regional Planning Area and any other area likely to contain high percentages of members of the group identified as least likely to apply and where public transportation or public highways/job availability make it likely that members of these groups will wish to move.

**5A**—The applicant shall state: the type of media to be used: the name of newspapers; call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHMP, e.g., White (Non-Hispanic), Black (Non-Hispanic), Hispanic, Asian-American/Pacific Islander, American Indian/Alaskan Native, persons with disabilities, and families with children; and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Advertisements in newspapers must be displayed or appear where they are most likely to be read or seen - not only in the classified section. In addition, all advertisements must be placed on [www.cthousingsearch.org](http://www.cthousingsearch.org).

**5B**—All brochures, signs, and advertisements must include the U.S. Department of Housing and Urban Development approved Fair Housing logo or slogan or statement and all advertising depicting persons shall depict persons of majority and minority groups. Fair housing posters which include both state and federally protected classes must be placed at the project site and rental offices. Contact more than three commercial media outlets. Use additional sheets as necessary.

**5C**—Community contacts should include individuals or organizations that are well known in the project area or the locality and that can inform people within groups considered “least likely to apply.” Such contacts may include, but need not be limited to: neighborhood, minority and women’s agencies, social clubs, homeless shelters, social service agencies, health clinics, religious groups, legal services, and individuals who are connected with these organizations and/or are well known in the market area or expanded housing market area. There must be an effort to identify and contact several individuals and organizations associated with the group least likely to apply, not just one or two groups and use additional sheets to report on this as necessary.

The applicant shall send a notification to all housing market area community resource contacts at the start of construction or at least 90 days prior to the opening of the waiting list or to the date the funds will be available. This notification shall include: (i) basic information concerning the Project (e.g., number of units, approximate date of occupancy, income levels to be served), (ii) information that they are being contacted because they may be interested in participating in the applicant affirmative marketing efforts, and (iii) advice that they will be contacted later concerning their desire to participate in this effort. The notice shall also provide the name of a person to contact for further information.

The applicant shall send a second notification to its community resource contacts at approximately 50 percent of completion of construction. This notification shall contain: (i) an update on the notification provided in the first notification, (ii) a proposed report on the Project, and (iii) a narrative concerning the Project (e.g., rent levels amenities, availability of transportation).

Six weeks before the estimated beginning of leasing, sales, or the availability of funds for homeownership assistance, the applicant shall send a third notification to all community resource that have been identified as possibly helpful in the affirmative marketing efforts (not necessarily limited to those contacts that have played an active role). This notification shall include: (i) a copy of any sales or rent-up brochure for the Project, (ii) the precise dates for sales or rent-up, (iii) a brief description of how an applicant may apply for the housing and (iv) the name of a person to contact for further information. A description of the selection criteria and selection process must also be included in this letter.

The applicant must solicit eligible applicants who may be referred to them by groups or organizations in the community.

Applicants must submit a Notification of Intent to begin marketing to the department, no later than 90 days prior to engaging in sales or rental or marketing activities.

Where relevant, information may be provided in both English and Spanish.

The AFHMP shall provide for follow-up from outreach agencies to determine the effectiveness of referrals (via letter).

## **Part 6 - Anticipated Occupancy/Results**

Anticipated occupancy results are a measure of the effectiveness of the implementation of the AFHMP. If the applicant elects to use indicators of effectiveness that differ from those described in this plan, such indicators shall be described at the bottom of the second page. Such indicators should be used to assess the effectiveness of specific aspects of the affirmative marketing program to attract to the housing persons targeted for special outreach, e.g., media advertising, use of minority-owned media, community contacts, etc.

The description should include a brief statement of the method to be used (e.g., survey of applicant, tenant questionnaire or the like).

### **Part 7 – Evaluation of Marketing Activities**

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those groups identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the Evaluations.

### **Part 8 - Experience and Staff Instructions**

**8(1)**—Staff must be trained on the use of this AFHMP, not the use or creation of an AFHMP, in general. If the staff has not been trained on the use of this AFHMP, please explain why there has been no training and indicate when and what future trainings are planned.

**8(2 - 5)**--Guidance to staff must include information regarding Section 8-37ee-1 –17 and Section 8-37ee-300-314, federal, state, and local fair housing laws and the use of this AFHMP. Copies of any written materials should be submitted with the plan, if such materials are available.

**8(6 – 7)**—Staff must be trained on the use of the eligibility requirements for the projects for which the entity is receiving financial assistance, not on the eligibility under fair housing or state and federal public housing rules in general.

### **Part 9 - Additional Considerations**

#### **Fair Housing Policy Statement, Affirmative Action Policy Statement, ADA Grievance Procedure, and ADA Notice**

In this section, the housing operator, if a different entity than the applicant, must provide a Fair Housing Policy Statement, Affirmative Action Policy Statement, ADA Grievance Procedure, and ADA Notice and the Tenant Selection Plan which must be posted at the housing project at all times where members of the public can view them. They must also be disseminated to staff engaged in the sale or rental of properties and posted wherever applications available to the public. A list of fair housing trainings attended by staff must also be submitted with this Plan.

#### **Eligibility requirements for the program or project**

For guidance on how to develop a tenant selection methodology or other eligibility criteria for the project, applicants/recipients should begin by consulting Conn. Agencies Regs. §8-37ee-304 and HUD's Occupancy Requirements of Subsidized Multifamily Housing Programs Handbook--4350.3 Rev. 1, Change 4.

Pursuant to §8-37ee-304(b) and (c) applicants may use a point system or random selection for rental units. If applicants/recipients are using a point system, they must use the one set out in §8-37ee-304(b) unless the applicant/recipient applies for and receives approval from the department that the proposed system does not violate the intent of the AFHMP and the fair housing laws.

### **Part 10 – Signatures**

Both the applicant for the funds and the housing provider or housing manager must sign the AFHMP at the bottom and date it. Both the applicant for the funds and the housing provider or housing manager assume full responsibility for its implementation. DOH may at any time monitor the implementation of the AFHMP and request modifications in its format or content, where the department deems necessary.

### **Other Requirements**

#### **Application Process:**

The application period for all prospective applicants shall extend for at least 90 days prior to the start date of accepting applications. An application deadline must be established.

Anyone seeking to apply must be able to do so, and assistance must be provided to anyone who requests help with completing the form.

Applications must be stamped, and each person must be given a receipt with the date and time the application was received.

Tenant selection shall occur at least 30 days before occupancy.

**Records:**

Initial AFHMP records, including the implementation of the Plan, must be maintained for at least three years. Thereafter this Plan must remain in full force and effect throughout the remainder of the affordability period of the housing for which it was designed. Revisions to the Plan may be made with DOH approval.

**Reporting Requirements:**

For the initial marketing, three reports regarding racial and economic integration shall be submitted to the DOH prior to final occupancy. One after the period for submission of applications, one after pre-screening, and one after final selection. DOH will determine whether or not the recipient has made a good faith effort in trying to reach members of groups identified as “least likely to apply”. In such cases where these efforts are determined to be insufficient, additional outreach efforts will be required. Such additional outreach efforts may delay the occupancy of units.

Once the project is in occupancy, recipients are required to collect racial and economic data from both tenants and persons on the waiting list. This information must be reported to DOH annually, before October thirty-first for the year ending the preceding September thirtieth. The data shall include information for households entering the development and in occupancy during the previous September thirtieth and shall contain the current percentages of those “least likely to apply” that are residing in the project and are on the waiting list. Additionally, you must submit an evaluation of whether your marketing activities for that year, if any, were effective in attracting least likely to apply applicants. If found ineffective, then you must state how you will make changes in your strategies for future marketing efforts.

**Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities (See AFHMP Block 4A)**

In the respective columns below indicate the percentage of each demographic group for the project (if occupied), waiting list (for existing projects), census tract, housing market area, and expanded housing market area (if the latter is needed to create a more diverse housing market area in terms of race, color, national origin, religion, sex, disability, or familial status).

Wherever possible, statistics should be obtained from a local planning office, Community Development Block Grant Consolidated Plan, or another official source such as the U.S. Census Bureau (please see <https://data.census.gov/>)

If there is a significant under-representation of any demographic group in the project and/or on its waiting list relative to the surrounding housing market area, then those groups(s) that are under-represented will be considered “least likely to apply” without targeted outreach and marketing, and will be so identified in Block 4b of the AFHMP. See Part 4 of the AA-5 Instructions for further guidance.

**Attach maps showing both the Housing Market Area (Worksheet 1 Exhibit #1) and, if applicable, Expanded Housing Market Area (Worksheet 1 Exhibit #2).**

<b>Demographic Characteristics</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
	<b>Project %</b> (If this is an initial AFHMP, skip this column)	<b>Waiting List %</b> (If this is an initial AFHMP, skip this column)	<b>Census Tract %</b>	<b>Housing Market Area %</b>	<b>Expanded Housing Market Area % (if used);</b>
White					
American Indian or Alaskan Native					
Asian					
Black of African-American					
Native Hawaiian or Other Pacific Islander					
Hispanic or Latino					
Persons with disabilities					
Families with children					
Other					

## **Instructions for Completing Worksheet 1**

Wherever possible, demographic statistics should be obtained from a local planning office, Community Development Block Grant Consolidated Plan, or another official source such as American Fact Finder which can be found on the U.S. Census Bureau website at <https://data.census.gov/>.

“Least likely to apply” means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying can include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments. If there is no identifiable presence of a specific demographic group in the housing market area, there is no requirement to reach out to that group. For example, if there are no American Indians or Alaskan natives in the housing market area, there is no need to reach out to that group.

### **Column 1—Project %**

For entities who are proposing to use its funding for existing rental units, the respondent should indicate the demographic composition of the project. If this is an initial AFHMP for rental units or an AFHMP for homeownership units or homeownership assistance do not fill out Column 1.

### **Column 2—Waiting List %**

If this is an initial AFHMP for rental units, homeownership units, or homeownership assistance do not fill out Column 2. If there is an existing waiting list because this AFHMP is for existing rental units or a continuation of an existing homeownership or homeownership assistance program include the demographics of the existing waiting list in Column 2.

### **Column 3—Census Tract %**

Include the percentage of each of the groups in the census tract where the project or scattered site housing is located. If this is scattered site housing, see the AA-5 instructions with regard to Part 3A. If there is no one from the group living in the census tract, write in 0. However, for some census tracts, the percentage of the group may be less than 0 but still have an identifiable presence in the census tract. For example, the percentage of Whites may be 98%, the percentage of Latinos 1.8%, and the percentage of Blacks or African-Americans .2%. Blacks or African-Americans are an identifiable presence even though the percentage of the population in the census is tract is less than 0.

#### **Column 4—Housing Market Area %**

A housing market area is the area (not necessarily the census tract, but the entire geographic area) from which the owner or manager of the project may reasonably expect to draw a substantial number of its applicants. For homeownership units and homeownership assistance, the housing market area must include the entire town or municipality applying for the financial assistance. Do not use an expanded housing market area for homeownership assistance.

See the instructions for Column 3 for information on census data to include.

#### **Column 5—Expanded Housing Market Area %**

If a housing market area is not demographically diverse in terms of race, color, national origin, religion, sex, disability, or familial status, an expanded housing market area must be used. An expanded housing market area is a larger geographic area that may provide additional diversity. Respondents should indicate the housing or expanded housing market area in which the housing is/will be located, e.g., “City of \_\_\_\_\_” for housing market area, or “City of \_\_\_\_\_” and “County of \_\_\_\_\_” for expanded housing market area.

See the instructions for Column 3 for information on the information to include from the Census data.

#### **Determining who is least likely to apply**

Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area. These are the group(s) “least likely to apply” for the housing without targeted outreach and marketing. For example, if the percentage of Whites in the project is 30% and the percentage of Whites on the waiting list is 25%, but the percentage of Whites in the housing market area is 75% and the percentage of whites in the expanded housing market area is 95%, Whites will be one of the groups least likely to apply because Whites are underrepresented in the project and on the waiting list compared to their representation in the market area and the expanded market area.

## Chapter 2

### AFFORDABLE HOUSING PROGRAM

#### Section 1. Program Description

**2-1. Certificate of Approval for Income Limits.** The Affordable Housing Program provides financial assistance to eligible developers for the development of family rental housing for low-income households. Assistance may be in the form of a grant or a deferred loan to housing authorities, nonprofit corporations and municipal developers.

**2-2. Use of Development Funds and Handicap Units.** Funds may be available for the new construction and rehabilitation of rental housing. Ten percent of the units must be designed to be accessible to individuals with physical disabilities. Funds may be used for site acquisition and preparation, architectural fees, engineering and relocation expenses, and development and administrative costs.

**2-3. No Operating Subsidy.** No operating subsidy is provided by DOH/CHFA for these complexes. Rental payments are based on a percentage of the tenants' adjusted gross income or a base rent established for the complex, whichever is higher. All operating expenses must be paid from these revenues. Where a federal or state rental assistance is available, the rent schedule will be determined by the rules governing the program of the federal or state agency.

#### Section 2. Statutes, Regulations, Loan Documents and Assistance Agreement

**2-4. Statutes.** The Affordable Housing Program is subject to Sections 8-119bb through 8-119jj, Section 8-39, and Sections 8-72 through 8-74 of the Connecticut General Statutes. Compliance with Section 8-39 and Sections 8-72 through 8-74 is required by Section 8-119cc.

**2-5. Regulations.** The Affordable Housing Program is subject to the State of Connecticut's Regulations for the Affordable Housing Program.

**2-6. Loan Documents and Assistance Agreement.** Every Affordable Housing complex is also subject to the provisions of the Loan Documents or Assistance Agreement between the owner and CHFA.

#### Section 3. Eligibility for Admission

**2-7. Income Limits.** The **admission income limit** for Affordable Housing shall be fixed at fifty percent (50%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD), unless otherwise approved by the Commissioner of Housing/President of CHFA pursuant to the factors listed in Section 8-72a of the Connecticut General Statutes. Thus, the HUD "Very Low" income limits must be used as the Admission Limits for Affordable Housing, unless different limits are approved by the Commissioner of Housing.

The **continued occupancy income** limit shall be the admission income limit as defined above, multiplied by a factor of 1.60. For the purpose of determining eligibility for continued occupancy income verification shall be conducted annually.

**Exceptions to the normal admission and continued occupancy limits** may be approved for up to 80% of AMI. They must be approved by the Commissioner of Housing using the “Certificate of Approval” and “Supportive Data Worksheet” contained in Exhibits 2-1 and 2-2. **These forms are only required when requesting an exception to the above-stated income limits.** Otherwise, a copy of a Board Resolution establishing the new limits will suffice.

**2-8. Eligible Families.** Low- and moderate-income families with incomes below the admission and continued occupancy limits are eligible. Family means a household consisting of one or more persons.

#### **Section 4. Rent Determination**

**2-9. General Requirements.** The Regulations for the Affordable Housing Program provide that tenants will pay the base rent or a percentage of their **adjusted gross income**, not to exceed 30%, minus a utility allowance, whichever is higher. The percentage of income must be established by the owner and approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA. Additionally, the Connecticut General Statutes provide that tenants whose adjusted gross incomes increase to a level that exceeds the continued occupancy limits must also pay a 2% surcharge on the income that is more than these limits.

**2-10. Terms Used to Compute the Rent.**

- a. **Family Income.** The total gross annual income received by all persons residing in the unit. (See Section 1 of Chapter 9)
- b. **Adjusted Gross Income.** The family income less all allowable deductions.
- c. **Adjusted Monthly Income.** The adjusted gross income divided by twelve (12).
- d. **Current Approved Percentage.** The percentage by which the adjusted monthly income is multiplied to determine whether the tenant will pay more than the base rent. The percentage of income must be established by the owner and approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA using the “Certificate of Approval” that appears in Exhibit 2-3.
- e. **Base Rent.** The minimum or base rent that must be charged to meet all of the complex’s operating expenses. This rent is established annually on the Management Plan (i.e., the operating budget) for each complex.
- f. **Available Monthly Income.** The adjusted monthly income multiplied by the current approved percentage.
- g. **Utility Allowance.** The owner’s estimate of the average monthly utility bills (gas, electric, water, sewer, oil, propane) for an energy conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is no utility allowance.
- h. **Adjusted Monthly Rent.** The available monthly income minus the utility allowance.
- i. **Tenant Rent.** The greater of the adjusted monthly rent or the base rent.
- j. **Total Monthly Surcharge.** Two percent (2%) of the adjusted gross income that is in excess of the continued occupancy limit.
- k. **Total Monthly Payment.** The total monthly surcharge added to the tenant’s rent.

**2-11. Forms Used to Compute the Rent.**

- a. **Housing Calculation Sheet.** This form is used to calculate the Tenant Rent. It should also be used to determine if an applicant's Adjusted Gross Income exceeds the Admission Limit. The form appears in Exhibit 2-4 and can be downloaded at <https://www.chfa.org/owners-property-managers/property-management-resources/>.
- b. **Affordable Housing Surcharge Calculation Sheet.** This form is used to calculate the Total Monthly Surcharge and Total Monthly Payment for tenants whose incomes increase to a level above the Continued Occupancy Limits. The form appears in Exhibit 2-5 and can be downloaded at <https://www.chfa.org/owners-property-managers/property-management-resources/> as part of the Rent Calculation Workbook for SSHP Affordable Housing Program

**Section 5. Annual Recertifications and Continued Occupancy in Affordable Housing**

**2-12. Procedure for Implementing Continued Occupancy Requirement.** A procedure for implementing the continued occupancy and annual recertification requirements in Affordable Housing Program follows:

- a. Immediately after December 31, the owner shall mail an "Application for Continued Occupancy" to each tenant in the complex. The owner should also initiate the annual recertification process at this time (see Section 8 of Chapter 9). The information collected during the recertification process will be needed to verify and compute each tenant's eligibility for continued occupancy. A schedule for coordinating these two procedures appears in Exhibit 2-6. The owner should aim to complete the "Applications for Continued Occupancy" and the Calculation Worksheets that are part of these procedures on or before February 25.
- b. On or before March 1, the owner shall mail a notice to each over income tenant in the complex. Pursuant to Section 8-73 of the Connecticut General Statutes, the notice shall state that the tenant has sixty (60) days to vacate their dwelling unit and that their failure to do so will result in a 2% surcharge by May 1. The owner must ensure that each over-income tenant receives this notice by March 1.
- c. On or about March 1, the owner shall submit a list of all over income tenants to the CHFA's Asset Management Division. The owner shall also include a copy of the following documents for each over-income tenant: application for continued occupancy, rent calculation worksheet, surcharge worksheet.
- d. Five or six days before April 1, the owner shall mail a notice to each tenant that specifies the amount of his/her rent effective May 1. The tenant must actually receive the notice by April 1.

**2-13. How Decreases in Income Affect Over- Income Tenants.** Any over-income tenant who experiences a decrease of at least 10% in his/her adjusted gross income may reapply to the owner to have their surcharge and eligibility for continued occupancy redetermined. The owner should redetermine the tenant's rent by using their anticipated annual income. Anticipated annual income shall be computed by annualizing the tenant's current income. The owner must reduce the amount of surcharge effective the first month commencing after the month in which the decrease in income is reported.

**2-14. Eviction of Over- Income Tenants.** Any over- income tenant who remains in occupancy after the sixty-day notice period may be subject to eviction pursuant to Section 8-73 of the Connecticut

General Statutes. The Commissioner of Housing/President of CHFA may waive the eviction requirements of Section 8-73 if the vacancy rate caused by the eviction(s) would result in an inability of the project to provide an income adequate for debt service, if any, administration, including the state Administrative Oversight Fee, other operating costs and reserves for repairs, maintenance, replacement and collection costs. Inquiries concerning the waiver provisions of Section 8-73 should be directed to the DOH/CHFA's Asset Management Division.

A schedule, sample notices, and the forms needed to implement the above procedures appear in Exhibits 2-4 through 2-10.

**CERTIFICATE OF APPROVAL  
INCOME LIMITS FOR ADMISSION AND CONTINUED OCCUPANCY  
AFFORDABLE RENTAL HOUSING DEVELOPMENTS**

The \_\_\_\_\_ has established and fixed, by an  
(Agency/Authority/Owner)  
appropriate Resolution of said \_\_\_\_\_ the income limits for admission  
(Entity Type)  
to and continued occupancy of Affordable Rental Housing Project(s)  
No. \_\_\_\_\_  
as follows:

**Admission Limits**

\$ \_\_\_\_\_ for 1 person  
\$ \_\_\_\_\_ for 2 persons  
\$ \_\_\_\_\_ for 3 persons  
\$ \_\_\_\_\_ for 4 persons  
\$ \_\_\_\_\_ for 5 persons  
\$ \_\_\_\_\_ for 6 persons  
\$ \_\_\_\_\_ for 7 persons  
\$ \_\_\_\_\_ for 8 persons

**Continued Occupancy Limits**

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**SEAL:**

\_\_\_\_\_  
**Authorized Representative**

\_\_\_\_\_  
**Date**

This is to certify that CHFA has reviewed and herewith approves the income limits for tenant admission to and continued occupancy of Affordable Rental Housing Project(s)  
No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator  
Approved by:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer-Executive Director, CHFA

\_\_\_\_\_  
Date

**AFFORDABLE HOUSING**  
**SUPPORTIVE DATA WORKSHEET**

Pursuant to Section 8-119jj-22 of the Regulations for the Affordable Housing Program, the following factors have been considered in adopting the new maximum income limits for the \_\_\_\_\_ Affordable Housing complex(s).

1. The income limits to be used shall be fifty percent (50%) of the area median income, adjusted for family size, as determined annually, and published in the Federal Register by the U.S. Department of Housing and Urban Development for projects receiving financial assistance. CHFA posts the income limits on the website.

2. The latest average wage as computed by the Labor Commissioner for the city or town served by the Agency/Authority: \_\_\_\_\_.

3. The number of vacancies in the project(s) at this time;  
Project No. \_\_\_\_\_ Project No. \_\_\_\_\_  
Vacancies: \_\_\_\_\_ Vacancies: \_\_\_\_\_

4. The number of families in the project(s) that are over income at this time;  
Project No. \_\_\_\_\_ Project No. \_\_\_\_\_  
Over- income Families: \_\_\_\_\_ Over- income Families: \_\_\_\_\_

5. The total number of applications for admission that were refused over the past year due to income disqualification: \_\_\_\_\_; and

6. The latest area median income, as determined by the U.S. Department of Housing and Urban Development is \_\_\_\_\_.

**CERTIFICATE OF APPROVAL  
PERCENTAGE OF INCOME USED TO DETERMINE  
THE TENANT RENT IN AN AFFORDABLE HOUSING PROJECT(S)**

The \_\_\_\_\_, has established and  
(Agency/Authority/Owner)  
fixed, by an appropriate Resolution of said Authority/Corporation, the percentage of income that will  
be used to determine the tenant rent in Affordable Housing Project(s) No. \_\_\_\_\_ as  
follows:

Project Name(s)	% of Income
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

This is to certify that the Chief Executive Officer-Executive Director of CHFA, has reviewed and  
herewith approves the percentage of income established by the \_\_\_\_\_  
for Affordable Housing Project(s) No. \_\_\_\_\_. (Agency/Authority/Owner)

Recommended by:

\_\_\_\_\_  
Administrator, State Housing Portfolio

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer-Executive Director, CHFA

\_\_\_\_\_  
Date

Affordable Rental Housing  
Rent Calculation Sheet

Head of Household: \_\_\_\_\_ Effective Date: \_\_\_\_\_  
 Unit Number: \_\_\_\_\_  
 Town: \_\_\_\_\_  
 Total Number of Household Members \_\_\_\_\_  
 Total Number of Dependents \_\_\_\_\_

A. Family Income

<u>Resident</u>	<u>Income</u>	<u>Resident</u>	<u>Income</u>
_____	\$ -	_____	-
_____	\$ -	_____	-
_____	\$ -	_____	-
_____	\$ -	_____	-
Interest from Asset Sheet	\$ -		
		<b>Gross Family Income:</b>	\$ _____

B. Allowable Deductions (Regulation Sec. 8-79a-14(c))

- 1. Total Earned Income of all dependents under 18 \$ \_\_\_\_\_
- 2. Foster Care proceeds or State DCF Adoption Program Payments \$ \_\_\_\_\_
- 3. Earned Income of full-time students under 23 \$ \_\_\_\_\_
- 4. Total Medical Expenses \$ \_\_\_\_\_
- Less 3% of Gross Family Income - \_\_\_\_\_
- Allowable medical deduction \$ \_\_\_\_\_
- 5. Child care costs - affording gainful employment \$ \_\_\_\_\_
- 6. Child Support payments or alimony paid to someone outside the household \$ \_\_\_\_\_
- 7. Number of Dependents multiplied by \$750 (not a spouse of a household member) \$ \_\_\_\_\_

C. Total Deductions (Add Lines B 1-7) \$ \_\_\_\_\_

- D. Adjusted Gross Income (Line A minus Line C) \$ \_\_\_\_\_
- E. Adjusted Monthly Income (Line D. divided by 12) \$ \_\_\_\_\_
- F. Available Monthly Income (Line E. multiplied by current approved %) \_\_\_\_\_ % \$ \_\_\_\_\_
- G. Utility Allowance \$ \_\_\_\_\_
- H. Adjusted Monthly Rent (Line F. minus Line G.) \$ -
- I. Base Rent (as approved by CHFA) \$ \_\_\_\_\_
- J. Resident Rent (greater of Line H. or Line I.) \$ \_\_\_\_\_
- K. Income Limit for Admission (50% AMI) \$ \_\_\_\_\_ INCOME ELIGIBLE
- L. Income Limit for Continued Occupancy \$ \_\_\_\_\_ INCOME ELIGIBLE
- M. Resident Rent (inclusive of surcharge if applicable) \$ - \$ -

**Note:** Applicants can not be admitted if their **Gross Family Income** exceeds the Income Limit for Admission. For existing resident, if Gross Family Income is greater than the Income Limit for Continued Occupancy, the household is deemed to be over income and a surcharge must be computed. To compute the surcharge, use the Affordable Housing Surcharge Calculation Sheet.

\_\_\_\_\_  
Signature - Owner Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Resident

\_\_\_\_\_  
Date

Affordable Housing  
Surcharge Calculation Sheet

Head of Household: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Unit Number: \_\_\_\_\_

- 1. Adjusted Gross Income (from Rent Calculation Sheet) \$ \_\_\_\_\_
- 2. Income Limit for Continued Occupancy (from Line L of Rent Calculation Sheet) \$ \_\_\_\_\_
- 3. Income in excess of continued occupancy limit (Line 1 minus Line 2) \$ \_\_\_\_\_
- 4. Total monthly surcharge (Line 3 x 2%) \$ \_\_\_\_\_
- 5. **Total Monthly Payment** (Line 4 (if>0) plus Line J From Rent Calculation Sheet) \$ \_\_\_\_\_

\_\_\_\_\_  
Owner's Representative

\_\_\_\_\_  
Date

**Schedule for Annual Recertifications.**

<u>Dates</u>	<u>Procedures</u>
January 1 to February 15	Notify all tenants that they must be recertified. Have tenants complete and sign the “Application for Continued Occupancy.” Verify all income and deductions.
February 15 to March 1	Complete all “Rent Calculation Worksheets” and “Surcharge Worksheets.” Prepare a list of all over-income tenants for DOH/CHFA. Submit the list to the Asset Management Division by March 1. Include copies of the following for each over income tenant: Application for Continued Occupancy, Rent Calculation Worksheet, and Surcharge Worksheet.
March 25 to March 30	Send a 30-day notice of rent increase/decrease to all tenants paying more than base rent. Tenants must <u>receive</u> the notice by April 1 in order for the new charge to become effective May 1.
May 1	Implement all Rent Increases/Decreases/Surcharges.

**REQUEST FOR CERTIFICATION NOTICE**

**(Owner Name)**  
**(Owner Address)**

Date:

(Tenant's Name)  
(Address)

Dear \_\_\_\_\_:

In accordance with state statutes (Sec. 8-72), state regulations (Sec. 8-79a-16) and your lease, the \_\_\_\_\_ Housing Authority is required to periodically review your income, expenses and family composition to re-determine your rent, continued eligibility for housing and appropriate unit size.

To complete this review, we would like to meet with you at \_\_\_\_\_ on \_\_\_\_\_, at \_\_\_\_\_.  
*(day) (date) (time)*  
*(place of interview)*

Please complete the enclosed **Application for Continued Occupancy** and bring it with you to your interview. You should also bring verification of your income (a copy of your check or letter of determination if you receive social security or a pension, a copy of your Dept. of Social Service determination if you receive state assistance, your four (4) most recent check stubs if you work, etc.). Additionally, we will need to see all of your prescription receipts, medical insurance billing notices and other medical bills from last year if you pay for your medical expenses. Documentation on all assets must be provided (end of year bank statements for checking, savings, CDs, money market accounts, IRA, 401K, annuities, stocks, real estate owned, trusts, etc.). All income must be reported for each family member. Full time students, aged 18-23, must provide verification of full-time student status from their educational institution. Finally, be sure to bring proof of your childcare expenses if you work/attend full time school and pay someone to provide childcare while you work/attend full time school. According to state statutes (Sec8-72) all verifications are for calendar year\_\_\_\_\_.

Please call us immediately at **(telephone number)** if you cannot be interviewed on the above date and time. Failure to comply with the certification process could result in your paying an increased rent and may also result in your eviction from state financed housing.

Sincerely,

(Owner Representative)

**REQUEST FOR CERTIFICATION FOLLOW-UP NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date:

(Tenant's Name)  
(Address)

Dear \_\_\_\_\_:

In previous correspondence, dated \_\_\_\_\_, you were scheduled for a certification interview. You did not report for the certification interview on ( **day** ), ( **date** ) at ( **time** ). You were asked to call us immediately if you could not attend the interview but failed to do so. We have rescheduled the interview for ( **day** ), ( **date** ) at ( **time** ).

Please complete the enclosed "Application for Continued Occupancy" and bring it with you to your interview. You should also bring verification of your income to the interview (a copy of your check or letter of determination if you receive social security or a pension, a copy of your Dept. of Social Service determination if you receive state assistance, your four (4) most recent check stubs if you work, etc.). Documentation on all assets must be provided (end of year bank statements for checking, savings, CDs, money market accounts, IRA, 401K, annuities, stocks, real estate owned, trusts, etc.). Additionally, we will need to see all of your prescription receipts, medical insurance billing notices and other medical bills from last year if you pay for your own medical expenses. All income must be reported for each family member. Full time students, aged 18-23, must provide verification of their full-time student status from their educational institution. Finally, be sure to bring proof of your childcare expenses if you work/attend full time school and pay someone to provide childcare while you are at work/attend full time school. According to state statutes (Sec8-72) all verifications are for calendar year\_\_\_\_\_.

Please call us immediately at (telephone number) if you cannot attend the interview at the above date and time. Failure to comply with certification requirements will result in your rent being increased to the **maximum rent** (125% of the FMR or \$ \_\_\_\_\_) and may also result in your eviction from state financed housing. Please do not make us take these drastic actions. We can still complete the certification process without penalizing you if you attend the above interview as scheduled. Your every effort to attend the interview will be greatly appreciated.

Sincerely,

(Owner Representative)

**REQUEST FOR CERTIFICATION FINAL NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date:

(Tenant's Name)

(Address)

Dear \_\_\_\_\_:

Procedures governing the annual certification process in State financed housing provide that an owner will charge maximum rent to any tenant who fails to provide the information needed to verify his income and/or deductions. These procedures also provide that the owner may bring eviction proceedings against a tenant who fails to provide the required verification information within a designated time period.

Two appointments have been scheduled, both of which you did not attend. On (date of follow-up notice) you were asked to call us immediately if you could not attend the second certification interview scheduled on (day), (date) at (time). Because you failed to do this, we have increased your rent to (maximum rent) effective the first of (month).

Please contact us at (telephone number) if you want to remain in state financed housing at this time. We will have no choice but to begin eviction proceedings against you unless you meet with us to complete the certification process by (date).

Sincerely,

(Owner Representative)

**APPLICATION FOR CONTINUED OCCUPANCY**

THIS FORM MUST BE COMPLETED. YOU MUST USE THE CORRECT LEGAL NAME FOR EACH MEMBER OF YOUR HOUSEHOLD AS IT APPEARS ON THEIR SOCIAL SECURITY CARD. ALL ADULT MEMBERS OF THE HOUSEHOLD MUST SIGN ON PAGE 2 CERTIFYING THE INFORMATION PERTAINING TO THEM. PLEASE PRINT.

A. HOUSEHOLD COMPOSITION: List all persons who will be living in your home, listing the head of the household first.

ADULTS (Legal name)	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SOCIAL SECURITY NUMBER	PLACE OF BIRTH
1.				
2.				
3.				
4.				

CHILDREN (name as it appears on SS Card)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SCHOOL NAME	PLACE OF BIRTH
1.					
2.					
3.					
4.					
5.					

A. WHO TO CONTACT IN CASE OF EMERGENCY:

Name:	Name:
Address:	Address:
City, State, Zip	City, State, Zip
Telephone:	Telephone:
Relation:	Relation:

C. TOTAL HOUSEHOLD INCOME: List all money earned or received by everyone living in your household. This includes money from wages, self-employment, child support, contributions, Social Security, disability payments (SSI), Workers Compensation, retirement benefits, TFA, Veterans benefits, rental property income, stock dividends, income from bank accounts, alimony, and all other sources.

HOUSEHOLD MEMBER	EMPLOYER	TOTAL WEEKLY WAGES	TFA	CHILD SUPPORT MONTHLY	SOCIAL SECURITY BENEFITS	UNEMPLOYMENT BENEFITS	ALL OTHER INCOME
1.							
2.							
3.							

D. ASSETS: Do you or any household member own or have an interest in any real estate, boat, and/or mobile home? \_\_\_\_\_

Have you sold any real estate in the last two years? \_\_\_\_\_

Do you own any stocks or bonds? \_\_\_\_\_ Do you have savings accounts? \_\_\_\_\_

If yes, give bank account numbers, and amounts below.

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

Do you own a car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

Do you own a second car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

1. Does anyone outside of your household pay for any of your bills or give you money? Yes/ No  
\_\_\_\_\_ If yes, please explain: \_\_\_\_\_

=====

The statements made by me in this application for continued occupancy are true to the best of my knowledge, for the purpose of verifying income at the time of signing this application. I have no objection to inquiries by the Housing Authority concerning my qualification for the purpose of income verification only. I agree to notify the Housing Authority immediately of any change in the statements or information required.

\_\_\_\_\_  
SIGNATURE OF HEAD OF HOUSEHOLD DATE

\_\_\_\_\_  
SIGNATURE OF SPOUSE DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

E. AUTHORIZATION for Release of Information

CONSENT

I authorize and direct any Federal, State, or Local Agency, organization, business or individual to release to the \_\_\_\_\_ Housing Authority ny information or materials needed to complete and verify my application for participation, and/or to maintain my continued occupancy under the Authority’s various housing programs. I understand and agree that this authorization or the information obtained with its use may be given to and used by the Connecticut Housing Finance Authority (CHFA) and the \_\_\_\_\_ in administering and enforcing program rules and public housing policies.  
(Entity)

I also consent for the \_\_\_\_\_ to release information from my file about my rental history to CHFA, (Entity) credit bureaus, collection agencies, or future landlords. This includes records on my payment history, and any violations of my lease or policies.

INFORMATION COVERED

I understand that, depending on program policies and requirements, previous or current information regarding me or my household may be needed. Verifications and inquiries that may be requested include but are not limited to:

- |                                |                                  |
|--------------------------------|----------------------------------|
| Identity and Marital Status    | Employment, Income, and Assets   |
| Residences and Rental Activity | Medical Allowances or Child Care |
| Criminal Activity              | Credits                          |

I understand that this authorization cannot be used to obtain any information about me that is not pertinent to my eligibility for and continued participation in a housing program.

I understand that this release may be used to allow any gas, electric, water or sewer utility company to release information about the status of my service and account information. In particular, to notify the Authority if service is about to be terminated.

GROUPS OR INDIVIDUALS THAT MAY BE ASKED

The groups or individuals that may be asked to release the above information (depending on program requirements) include but are not limited to:

Previous Landlords (including Public Housing Agencies)	Past and Present Employers Welfare Agencies
Courts and Post Offices	State Unemployment Agencies
Schools and Colleges	Social Security Administration
Law Enforcement Agencies	Medical and Child Care Providers
Support and Alimony Providers	Veterans Administration
Retirement Systems	Banks and other Financial Inst.
Credit Providers/Bureaus	Utility Companies

CONDITIONS

I agree that a photocopy of this authorization may be used for the purpose stated above. The original of this authorization is on file with the \_\_\_\_\_ and will stay in effect for a year and a month from the  
(Entity)  
date signed. I understand I have a right to review my file and correct any information that I can prove is incorrect.

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SIGNATURES

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Head of Household	(Print Name)	Date
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Spouse	(Print Name)	Date
--------	--------------	------

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Adult Member	(Print Name)	Date
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Adult Member	(Print Name)	Date
--------------	--------------	------

NOTE: THIS GENERAL CONSENT MAY **NOT** BE USED TO REQUEST A COPY OF A TAX RETURN FROM THE INTERNAL REVENUE SERVICE OR THE DEPARTMENT OF REVENUE SERVICES.

**NOTICE OF OVER- INCOME STATUS  
AND  
LIABILITY FOR SURCHARGE**

**(Owner)  
(Owner Address)**

Date:

(Tenant Name)  
(Tenant Address)

Dear \_\_\_\_\_:

Section 8-73 of Chapter 128 of the Connecticut General Statutes provides that a tenant must vacate his dwelling unit no later than sixty (60) days after the date that the owner mails him a notice to inform him that his annual income exceeds the limit set for continued occupancy in such housing. A tenant who does not vacate his dwelling unit after the 60-day period is subject to eviction. Section 8-73 also provides that a tenant who continues in occupancy beyond the 60-day period must pay a monthly surcharge equal to 2% of the amount by which his annual income exceeds the continued occupancy limit.

Based on information recently obtained during the annual certification process, we have determined that your annual income exceeds the limit set for continued occupancy in your dwelling unit. Pursuant to the above statutory requirements, you are hereby notified that your failure to vacate your dwelling unit by (date) will result in your paying a surcharge equal to (amount) effective (date). This amount must be paid in addition to your regular monthly rent of (amount). We may also be required to begin eviction proceedings against you on or about (date).

If you experience a reduction in your income, we will redetermine your eligibility for continued occupancy and will recalculate your surcharge based on your reduced income. Please let us know immediately if you experience a reduction in your income.

Sincerely,

(Owner Representative)



## Chapter 3

### MODERATE RENTAL HOUSING

#### Section 1. Program Description

**3-1. Types of Assistance and Eligible Developers.** The Moderate Rental Housing Program provides financial assistance to eligible owners for the development of family rental housing for low- and moderate-income households. Assistance may be in the form of grants, deferred loans, or loans to housing authorities, nonprofit corporations, for profit developers or municipal developers. Per State regulations 8-70(a), contracts with an authority or combination of authorities may include any combination of assistance types, and grants may be provided for a housing authority or nonprofit corporation.

**3-2. Use of Development Funds and Accessible Units.** Funds may be available for the new construction or rehabilitation of rental housing. Ten percent of the units must be designed to be accessible to individuals with physical disabilities. Funds may be used for architectural and engineering costs, site improvements, construction of the units, ranges and refrigerators, maintenance tools, and relocation costs, as well as administrative expenses incurred during the design and construction of the complex.

**3-3. No Operating Subsidy.** No operating subsidy is provided for these complexes. All operating expenses must be paid from the rents collected from the tenants. Costs must be prorated in accordance with state and federal requirements.

#### Section 2.

##### Statutes, Regulations and Assistance Agreement

**3-4. Statutes.** The Moderate Rental Housing Program is subject to Sections 8-39 and 8-69 through 8-81 of the Connecticut General Statutes.

**3-5. Regulations.** The Moderate Rental Housing Program is subject to the State of Connecticut's Regulations for the Moderate Rental Housing Program.

**3-6. Assistance Agreement.** A Moderate Rental Housing complex is also subject to the provisions of the Loan Documents or Assistance Agreement between the owner and the DOH/CHFA.

#### Section 3. Eligibility for Admission

**3-7. Income Limits.** An applicant's **gross income** must be used to determine their eligibility for admission and continued occupancy.

The **admission and continued occupancy limits** for Moderate Rental Housing shall be fixed at eighty percent (80%) of the Area Median Income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD), unless otherwise approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA pursuant to the factors listed in Section 8-72a of the Connecticut General Statutes. The income limit for continued occupancy will be based on 125% of the maximum level (Regulation Sec 8-79a-12).

**Exceptions to the normal admission and continued occupancy limits** must be approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA using the “Certificate of Approval” and “Supportive Data Worksheet” contained in Exhibits 3-1 and 3-2. **These forms are only required when requesting an exception to the above-stated income limits.** Otherwise, a copy of a Board Resolution establishing the new limits will suffice.

**3-8. Eligible Families.** Low- and moderate-income families with incomes below the admission and continued occupancy limits are eligible. Family means a household consisting of one or more persons.

#### **Section 4. Rent Determination**

**3-9. General Requirements.** The Regulations for the Moderate Rental Housing Program provide that tenants will pay the base rent or a percentage of their adjusted gross income, minus a utility allowance, whichever is higher. The percentage of income must be established by the owner and approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA. Additionally, the Connecticut General Statutes provide that tenants whose (adjusted gross) incomes increase to a level that exceeds the continued occupancy limits must also pay a 2% surcharge on the income that is in excess of these limits.

See Chapter 9 for detailed information on income and assets.

**3-10. Terms Used to Compute the Rent.**

- a. **Family Income.** The total gross annual income received by all persons residing in the unit from all sources from the preceding 12-month period (Statute Sec 8-72). (See Section 1 of Chapter 9). (Also see Regulation Sec. 8-79a-13)
- b. **Adjusted Gross Income.** The Family Income less all allowable deductions.
- c. **Adjusted Monthly Income.** The Adjusted Gross Income divided by twelve (12).
- d. **Current Approved Percentage.** The percentage by which the Adjusted Monthly Income is multiplied to determine whether the tenant will pay more than the base rent. The percentage of income must be established by the owner and approved by the Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA using the “Certificate of Approval” that appears in Exhibit 3-3.
- e. **Base Rent.** The minimum rent that must be charged to meet all of the complex’s operating expenses. (Regulation Sec. 8-79a-14) This rent is established on the Management Plan (i.e., the operating budget) for each complex.
- f. **Available Monthly Income.** The Adjusted Monthly Income multiplied by the current approved percentage.

- g. **Utility Allowance.** The owner’s estimate of the average monthly utility (electric, gas, propane, sewer, water, oil) of like units and/or other data available for an energy conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is no utility allowance. (Regulation Sec. 8-79a-14(c)(8))
- h. **Adjusted Monthly Rent.** The Available Monthly Income minus the Utility Allowance.
- i. **Tenant Rent.** The greater of the Adjusted Monthly Rent or the Base Rent.
- j. **Total Monthly Surcharge.** Two percent (2%) of the Adjusted Gross Income that is more than the Continued Occupancy Limit. (Regulation 8-79a-12(g))
- k. **Total Monthly Payment.** The Total Monthly Surcharge added to the Tenant Rent.
- l. **Deduction.** The amount subtracted from the total gross family income to arrive at the adjusted gross family income. (Regulation Sec 8-79a-14(c))

**3-11. Forms Used to Compute the Rent**

- a. **Moderate Rental Housing Calculation Sheet** is used to calculate the Tenant Rent. It should also be used to determine if the applicant’s Adjusted Gross Income exceeds the Admission Limit. The form appears in Exhibit 3-4 and can be downloaded at <https://www.chfa.org/owners-property-managers/property-management-resources/>.
- b. **Moderate Rental Housing Surcharge Calculation Sheet** is used to calculate the Total Monthly Surcharge and Total Monthly Payment for tenants whose incomes increase to a level above the Continued Occupancy Limits. The form appears in Exhibit 3-5 and can be downloaded at <https://www.chfa.org/owners-property-managers/property-management-resources/> as part of the Rent Calculation Workbook for SSHP Moderate Rental Program.

**Section 5. Annual Recertification and Continued Occupancy in Moderate Rental Housing**

**3-12. Procedure for Implementing Continued Occupancy Requirements.** A procedure for implementing the continued occupancy and annual recertification requirements in Moderate Rental Housing Program is detailed below. Alternatively, the Owner may submit a written request to DOH/CHFA to align annual recertifications with the lease anniversary of each respective household. The request must include the Owner’s timeline and procedure for implementation of this change.

- a. Immediately after December 31, the owner shall mail an “Application for Continued Occupancy” to each tenant in the complex. The owner should also initiate the annual recertification process at this time (see Section 8 of Chapter 9). The information collected during the recertification process will need to be verified and computed for each tenant’s eligibility for continued occupancy. A schedule for coordinating these two procedures appears in Exhibit 3-6. The owner should aim to complete the “Applications for Continued Occupancy” and the Calculation Worksheets that are part of these procedures by February 25.

NOTE: Period covered for verification of income: For the purpose of determining eligibility for continued occupancy, the annual income verification period shall be the calendar year January 1 to December 31. (Regulation Sec. 8-79a-16(b))

- b. Five or six days before March 1, the owner shall mail a notice to each over income tenant in the complex. Pursuant to Section 8-73 of the Connecticut General Statutes, the notice shall state that the tenant has sixty (60) days to vacate their dwelling unit and that their failure to do so will result in a 2% surcharge effective May 1. The owner must ensure that each over-income tenant receives this notice by March 1.

NOTE: Upon failure of such tenant to vacate such dwelling unit on or before the expiration of such sixty-day period and so long as such tenant continues to occupy such dwelling unit after the expiration thereof, such tenant shall be obligated, notwithstanding the provisions of section 8-72, to pay the authority or owner monthly as rent for such dwelling unit an amount equal to the going rental therefore as fixed by the authority or owner plus an amount equal to two per cent of the excess of the annual income of such family over that permitted for continued occupancy of such dwelling unit under section 8-72. (Statute 8-73(a))

- c. On or about March 1, the owner shall submit a list of all over-income tenants to DOH/CHFA's Asset Management Division. The owner shall also include a copy of the following documents for each over income tenant: Application for Continued Occupancy, Rent Calculation Worksheet, Surcharge Worksheet.
- d. Five or six days before April 1, the owner shall mail a notice to each tenant that specifies the amount of their rent effective May 1. The tenant must receive the notice by April 1.

NOTE: Any tenant who, without just cause, fails to report shall be considered over income and shall pay the surcharge until such time as the annual recertification is completed. (Regulation Sec. 8-79a-16a).

**3-13. How Decreases of At Least 10% in Income Affect Over Income Tenants.** Any over income tenant who experiences a decrease of at least 10% in their adjusted gross income may reapply to the owner to have their surcharge and eligibility for continued occupancy redetermined. The owner should redetermine the tenant's rent by using their anticipated annual income. Anticipated annual income shall be computed by annualizing the tenant's current income. The owner must reduce the surcharge effective the first month commencing after the month in which the decrease in the amount of income is reported. See paragraph 3-9 for surcharge percentage.

**3-14. How Decreases of Less Than 10% in Income Affect Over Income Tenants.** Any over-income tenant who experiences a decrease of less than 10% in their adjusted gross income is subject to the reporting schedules contained in the Regulations for the Moderate Rental Housing Program.

**3-15. Eviction of Over Income Tenants.**

- a. Any over income tenant who remains in occupancy after the 60-day notice period (March 1 to April 30) is subject to eviction pursuant to Section 8-73 of the Connecticut General Statutes. This period may be extended due to extenuating circumstances such as, the head of the family is called into military service, or the tenant is in the process of purchasing or building a home and other justifiable reason. (Regulation Sec 8-79a-16(g)) **The Commissioner of Housing/Chief Executive Officer-Executive Director of CHFA may waive the eviction requirements of Section 8-73 if the vacancy rate caused by the eviction(s) would result in an inability of the project to provide an income adequate for debt service and a balanced budget, if any, administration, including the state service charge, other operating costs and reserves for repairs, maintenance, replacements and collection costs. Waivers are approved for a period of one year, subject to renewal for additional one-year periods. Inquiries concerning the waiver provisions of Section 8-73 should be directed to the DOH/CHFA's Asset Management Division.**
- b. Any over-income tenant may reapply for continued occupancy within the period of the 60-day notice to vacate. Such reapplication must be filed on or before April 15. (Regulation Sec. 8-79a-16(g))

If the reverification based on income for the first three months of the current year on or before April 15 indicates that the tenant is still over income, but for a lesser amount than for the previous calendar year, then the new income figure arrived at a projected basis shall be the basis for determination of the surcharge effective May 1. If the projected rate upon reverification exceeds the income for the previous calendar year the lower income shall be used to establish the surcharge amount except those under eviction proceeding for non-compliance.

Any over-income tenants subject to a surcharge on May 1 and who continue in occupancy thereafter shall file an application for continued occupancy as of June 30 covering family income for the first six months of the current year. Such reapplication must be filed on or before July 15. The sanctions which may be imposed for failing to meet the April 30 deadline are applicable for failing to meet the July 15 deadline. Such income shall be projected to an annual base and reclassification made as follows:

- 1) Tenants whose projected annual income is within the applicable maximum income limits for continued occupancy shall be declared eligible for continued occupancy without further imposition to surcharges effective August 1.
- 2) Tenants whose projected annual income exceeds the applicable maximum income limits but whose projected income is less than annual income reported for a prior year shall be eligible for a reduction in the monthly surcharge based on the projected income. Such reduction shall be effective August 1.
- 3) Tenants whose projected annual income exceeds the applicable maximum income limits but whose projected income is greater than the annual income reported for the prior year shall be subject to an increase in the monthly surcharge effective August 1. No advance notice of rent adjustment is necessary as the tenant is occupying the premises on a use and occupancy basis and, therefore, not subject to any time limit notice as may be prescribed in the lease.

All over-income tenants subject to a surcharge on August 1 may file a reverification of income for the first 9 months projected income if such projected produces a lower surcharge. The lower surcharge will be levied on November 1.

- c. In the event of the death or total disability of any tenant resulting in the complete loss of the earning power of a tenant whose account is being surcharged or in the case of a sudden unavoidable loss of employment or income due to no fault of the wage earner. The local authority or owner may, subject to the approval of the department of housing, immediately cancel or appropriately reduce the surcharge amount.
- d. For tenants who are seasonally employed or are employed in a second job for a position of the year, such as construction workers, teachers, agricultural workers, municipal employees, etc., and in their annual income verification are over-income for the preceding two years, but who on the reverification are under the maximum income limits, their income shall be based on the average income for the preceding two-year period.

A schedule, sample notice, and the forms needed to implement the above procedures appear in Exhibits 3-4 through 3-10.

**3-16. Failure to Comply with Reverification of Income (Regulation Sec. 8-79a-17)**

If it is determined that based on verified income data, the tenant's rental should have been an amount which exceeds the amount actually paid by the tenant, the tenant shall be charged the higher rental retroactive to the date said rental was due.

Due to the tenants' failure to file income data to the owner, the owner has had to spend considerable effort to enforce the income reverification regulations, in the event that it is determined that the amount paid by the tenant exceeds the amount which should have been paid, no refund or credit shall be made to the tenant.

**3-17. Interim Recertifications**

The authority or owner shall not require any interim recertifications due to increased earnings from employment. However, if a family's income has decreased, nothing in this section shall preclude an interim recertification or recertification based on the reduced income level. (Statute Sec. 8-72)

**3-18. Rent Increases**

See section 10 of Chapter 9.

**CERTIFICATE OF APPROVAL**  
**INCOME LIMITS FOR ADMISSION AND CONTINUED OCCUPANCY**  
**MODERATE RENTAL HOUSING DEVELOPMENTS**  
*(FOR USE DURING DEVELOPMENT OR IF REQUESTING EXCEPTION TO INCOME LIMITS ONLY.)*

The \_\_\_\_\_ has established and fixed, by an  
(Agency/Authority/Owner)  
appropriate Resolution of said \_\_\_\_\_ the income limits for admission to  
(Entity)  
and continued occupancy of Moderate Rental Housing  
Project(s) No. \_\_\_\_\_  
as follows:

**Admission Limits**

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

for 1 person  
for 2 persons  
for 3 persons  
for 4 persons  
for 5 persons  
for 6 persons  
for 7 persons  
for 8 persons

**Continued Occupancy Limits**

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**SEAL:**

\_\_\_\_\_  
**Authorized Representative**

\_\_\_\_\_  
**Date**

This is to certify that CHFA has reviewed and herewith approves the income limits for tenant admission to and continued occupancy of Moderate Rental Housing Project(s) No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer-Executive Director, CHFA

\_\_\_\_\_  
Date

**MODERATE RENTAL HOUSING**

**SUPPORTIVE DATA WORKSHEET**

*FOR USE DURING DEVELOPMENT OR IF REQUESTING EXCEPTION TO INCOME LIMITS ONLY.)*

Pursuant to Section 8-72a of the Connecticut General Statutes and Section 8-79a-12 of the Regulations for the Moderate Rental Housing Program, the following factors have been considered in adopting the new maximum income limits for the \_\_\_\_\_ Moderate Rental Housing complex(s).

1. The income limits that are established from time to time and published in the Federal Register by the U.S. Department of Housing and Urban Development for projects receiving financial assistance from HUD pursuant to Section 8-72a of the Connecticut General Statutes and Section 8-79a-12 of the Regulations for the Moderate Rental Housing Program, they can be found on the Internet on HUD's and CHFA's website);

2. The latest average wage as computed by the Labor Commissioner for the city or town served by the Agency/Authority;

3. The number of vacancies in the project(s) at this time;

Project No. \_\_\_\_\_ Project No. \_\_\_\_\_  
Vacancies: \_\_\_\_\_ Vacancies: \_\_\_\_\_

4. The number of families in the project(s) that are over income at this time;

Project No. \_\_\_\_\_ Project No. \_\_\_\_\_  
Over- income Families: \_\_\_\_\_ Over- income Families: \_\_\_\_\_

5. The total number of applications for admission that were refused over the past year due to income disqualification: \_\_\_\_\_; and

6. The latest area median income, as determined by the U.S. Department of Housing and Urban Development.

**CERTIFICATE OF APPROVAL  
PERCENTAGE OF INCOME USED TO DETERMINE  
THE TENANT RENT IN A MODERATE RENTAL HOUSING PROJECT(S)**

The \_\_\_\_\_ has established and fixed, by an appropriate Resolution of said Authority/Corporation, the percentage of income that will be used to determine the tenant rent in Moderate Rental Housing Project(s) No. \_\_\_\_\_ as follows:

Project Name(s)	% of Income
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

This is to certify that CHFA has reviewed and herewith approves the percentage of income established by the \_\_\_\_\_ for Moderate Rental Housing Project(s) No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer-Executive Director, CHFA

\_\_\_\_\_  
Date

Moderate Rental Housing  
Rent Calculation Sheet

Head of Household: \_\_\_\_\_ Effective Date: \_\_\_\_\_  
 Unit Number: \_\_\_\_\_  
 Town: \_\_\_\_\_  
 Total Number of Household Members: \_\_\_\_\_  
 Total Number of Dependents: \_\_\_\_\_

A. Family Income

Resident	Income	Resident	Income
_____	\$ -	_____	-
_____	\$ -	_____	\$ -
_____	\$ -	_____	\$ -
_____	\$ -	_____	\$ -
9. Interest from Asset Sheet			\$ -

Gross Family Income: \$ \_\_\_\_\_

B. Allowable Deductions (Regulation Sec. 8-79a-14(c))

1. Total Earned Income of all dependents under 18		\$ _____
2. Foster Care proceeds or State DCF Adoption Program Payments		\$ _____
3. Earned Income of full-time students under 23		\$ _____
4. Total Medical Expenses	\$ _____	
Less 3% of Lin A. Total	- _____	
Allowable medical deduction	\$ _____	\$ _____
5. Child care costs - affording gainful employment		\$ _____
6. Child Support payments or alimony paid to someone outside the household		\$ _____
7. Number of Dependents multiplied by \$750 (not a spouse of a household member)		\$ _____

C. Total Deductions (Add Lines B 1-7)

\$ \_\_\_\_\_

D. Family Income Less Deductions (Line A minus Line C)

\$ \_\_\_\_\_

E. 10% of Line D (standard deduction) [per Regulation 8-79a-1(m)]

\$ \_\_\_\_\_

F. Adjusted Gross Income

\$ \_\_\_\_\_

G. Adjusted Monthly Income (Line F. divided by 12)

\$ \_\_\_\_\_

H. Available Monthly Income (Line G. multiplied by current approved %)

30% % \$ \_\_\_\_\_

I. Utility Allowance

\$ \_\_\_\_\_

J. Adjusted Monthly Rent (Line H. minus Line I.)

\$ \_\_\_\_\_

K. Base Rent (as approved by CHFA)

\$ \_\_\_\_\_

L. Resident Rent (greater of Line H. or Line I.)

\$ \_\_\_\_\_

M. Income Limit for Admission (80%AMI)

\$ \_\_\_\_\_ INCOME ELIGIBLE

N. Income Limit for Continued Occupancy

\$ \_\_\_\_\_ INCOME ELIGIBLE

L. Resident Rent (inclusive of surcharge if applicable)

\$ \_\_\_\_\_ \$ \_\_\_\_\_

**Note:** Applicants can not be admitted if their **GROSS Family Income** exceeds the Income Limit for Admission. For existing resident, if GROSS Family Income is greater than the Income Limit for Continued Occupancy, the household is deemed to be over income and a surcharge must be computed. To compute the surcharge, use the Moderate Rental Housing Surcharge Calculation Sheet.

**Signature - Owner Representative**

**Date**

---

**Signature of Resident**

---

**Date**

Moderate Rental Housing  
Surcharge Calculation Sheet

Head of Househ \_\_\_\_\_ Effective Date: \_\_\_\_\_  
Unit Number: \_\_\_\_\_

- 1. Adjusted Gross Income (from Rent Calculation Sheet Line F) \$ \_\_\_\_\_
- 2. Income Limit for Continued Occupancy (from Line N of Rent Calculation Sheet) \$ \_\_\_\_\_
- 3. Income in excess of continued occupancy limit (Line 1 minus Line 2) \$ \_\_\_\_\_
- 4. Total monthly surcharge (Line 3 x 2%) \$ \_\_\_\_\_
- 5. **Total Monthly Payment** (Line 4 (if>0) plus Line L from Rent Calculation Sheet) \$ \_\_\_\_\_

\_\_\_\_\_  
Owner's Representative

\_\_\_\_\_  
Date

**Schedule for Annual Recertifications.**

A procedure for implementing the continued occupancy and annual recertification requirements in Moderate Housing Program follows (Regulation Sec. 8-79a-16(e):

- a. Immediately after December 31, the owner shall mail an “Application for Continued Occupancy” to each tenant in the complex. The owner should also initiate the annual recertification process at this time (see Section 8 of Chapter 9). The information collected during the recertification process will be needed to verify and compute each tenant’s eligibility for continued occupancy. A schedule for coordinating these two procedures appears in Exhibit 3-6. The owner should aim to complete the “Applications for Continued Occupancy” by February 15 and the Calculation Worksheets that are part of these procedures by February 25.
- b. Five or six days before March 1, the owner shall mail a notice to each over income tenant in the complex. Pursuant to Section 8-73 of the Connecticut General Statutes, the notice shall state that the tenant has sixty (60) days to vacate their dwelling unit and that their failure to do so will result in a 2% surcharge effective May 1. The owner must ensure that each over-income tenant receives this notice by March 1.

Note: Upon failure of such tenant to vacate such dwelling unit on or before the expiration of such sixty-day period and so long as such tenant continues to occupy such dwelling unit after the expiration thereof, such tenant shall be obligated, notwithstanding the provisions of section 8-72, to pay the authority or owner monthly as rent for such dwelling unit an amount equal to the going rental therefore as fixed by the authority or owner plus an amount equal to two per cent of the excess of the annual income of such family over that permitted for continued occupancy of such dwelling unit under section 8-72. (Statute 8-73(a))

- c. On or about March 1, the owner shall submit a list of all over-income tenants to DOH/CHFA’s Asset Management Division. The owner shall also include a copy of the following documents for each over income tenant: application for continued occupancy, rent calculation worksheet, surcharge worksheet.
- d. Five or six days before April 1, the owner shall mail a notice to each tenant that specifies the amount of their rent effective May 1. The tenant must receive the notice by April 1.



**REQUEST FOR CERTIFICATION FOLLOW-UP NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date:

(Tenant's Name)

(Address)

Dear \_\_\_\_\_:

In previous correspondence, dated \_\_\_\_\_, you were scheduled for a certification interview. You did not report for the certification interview on **(day)**, **(date)** at **(time)**. You were asked to call us immediately if you could not attend the interview but failed to do so. We have rescheduled the interview for **(day)**, **(date)** at **(time)**.

Please complete the enclosed "Application for Continued Occupancy" and bring it with you to your interview. You should also bring verification of your income to the interview (a copy of your check or letter of determination if you receive social security or a pension, a copy of your Dept. of Social Service determination if you receive state assistance, your four (4) most recent check stubs if you work, etc.). Documentation on all assets must be provided (end of year bank statements for checking, savings, CDs, money market accounts, IRA, 401K, annuities, stocks, real estate owned, trusts, etc.). Additionally, we will need to see all your prescription receipts, medical insurance billing notices and other medical bills from last year if you pay for your own medical expenses. All income must be reported for each family member. Full time students, aged 18-23, must provide verification of their full-time student status from their educational institution. Finally, be sure to bring proof of your childcare expenses if you work and pay someone to provide childcare while you are at work. According to state statutes (Sec8-72) all verifications are for calendar year \_\_\_\_\_.

Please call us immediately at (telephone number) if you cannot attend the interview at the above date and time. Failure to comply with certification requirements will result in your rent being increased to the **maximum rent** (125% of the FMR or \$\_\_\_\_\_) and may also result in your eviction from state financed housing. Please do not make us take these drastic actions. We can still complete the certification process without penalizing you if you attend the above interview as scheduled. Your every effort to attend the interview will be greatly appreciated.

Sincerely,

(Owner Representative)

**REQUEST FOR CERTIFICATION FINAL NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date:

(Tenant's Name)

(Address)

Dear \_\_\_\_\_:

Procedures governing the annual certification process in CHFA financed housing provide that an owner will charge maximum rent to any tenant who fails to provide the information needed to verify their income and/or deductions. These procedures also provide that the owner may bring eviction proceedings against a tenant who fails to provide the required verification information within a designated time period.

Two appointments have been scheduled, both of which you did not attend. On (date of follow-up notice) you were asked to call us immediately if you could not attend the second certification interview scheduled on (day), (date) at (time). Because you failed to do this, we have increased your rent to (maximum rent) effective the first of (month).

Please contact us at (telephone number) if you want to remain in state financed housing at this time. We will have no choice but to begin eviction proceedings against you unless you meet with us to complete the certification process by (date).

Sincerely,

(Owner Representative)

**APPLICATION FOR CONTINUED OCCUPANCY**

\_\_\_\_\_ Annual Recertification    \_\_\_\_\_ Interim Recertification    \_\_\_\_\_ Change in Household  
**(Check one)**

THIS FORM MUST BE COMPLETED. YOU MUST USE THE CORRECT LEGAL NAME FOR EACH MEMBER OF YOUR HOUSEHOLD AS IT APPEARS ON THEIR SOCIAL SECURITY CARD. ALL ADULT MEMBERS OF THE HOUSEHOLD MUST SIGN ON PAGE 2 CERTIFYING THE INFORMATION PERTAINING TO THEM. PLEASE PRINT.

A. HOUSEHOLD COMPOSITION: List all persons who will be living in your home, listing the head of the household first.

ADULTS (Legal name)	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SOCIAL SECURITY NUMBER	PLACE OF BIRTH
1.				
2.				
3.				
4.				

CHILDREN (name as it appears on SS Card)	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SOCIAL SECURITY NUMBER	PLACE OF BIRTH	SCHOOL NAME
1.					
2.					
3.					
4.					
5.					



**B. WHO TO CONTACT IN CASE OF EMERGENCY:**

Name:	Name:
Address:	Address:
City, State, Zip:	City, State, Zip:
Telephone:	Telephone:
Relation:	Relation:

**C. TOTAL HOUSEHOLD INCOME:** List all money earned or received by everyone living in your household. This includes money from wages, self-employment, child support, contributions, Social Security, disability payments (SSI), Workers Compensation, retirement benefits, TANF, Veterans benefits, rental property income, stock dividends, income from bank accounts, alimony, and all other sources.

HOUSEHOLD MEMBER	EMPLOYER	TOTAL WEEKLY WAGES	TANF	CHILD SUPPORT MONTHLY	SOCIAL SECURITY BENEFITS	UNEMPLOYMENT BENEFITS	ALL OTHER INCOME
1.							
2.							
3.							
4.							

D. ASSETS: Do you or any household member own or have an interest in any real estate, boat, and/or mobile home? \_\_\_\_\_

Have you sold any real estate in the last two years? \_\_\_\_\_

Do you own any stocks or bonds? \_\_\_\_\_ Do you have savings accounts? \_\_\_\_\_

If yes, provide bank, account numbers, and amounts below.

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

Do you own a car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

Do you own a second car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

1. Does anyone outside of your household pay for any of your bills or give you money? Yes/ No \_\_\_\_\_

If yes, please explain: \_\_\_\_\_

=====

The statements made by me in this application for continued occupancy are true to the best of my knowledge, for the purpose of verifying income at the time of signing this application. I have no objection to inquiries by the Owner/Agent concerning my qualification for the purpose of income verification only. I agree to notify the Owner/Agent immediately of any change in the statements or information required. (Regulation Sec. 8-79a-16(d)(2))

ANY PERSON WHO MAKES A FALSE STATEMENT CONCERNING THE INCOME OF THE FAMILY FOR WHICH APPLICATION FOR ADMISSION TO OR CONTINUED OCCUPANCY OF HOUSING PROJECTS IS MADE MAY BE FINED NOT MORE THAN FIVE HUNDRED DOLLARS OR IMPRISONED NOT MORE THAN SIX MONTHS OR BOTH. (Statute Sec. 8-72) (Regulation Sec. 8-79a-16(d)(1))

\_\_\_\_\_  
SIGNATURE OF HEAD OF HOUSEHOLD DATE

\_\_\_\_\_  
SIGNATURE OF SPOUSE DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

E. AUTHORIZATION for Release of Information

CONSENT

I authorize and direct any Federal, State, or Local Agency, organization, business or individual to release to the Housing Authority of the \_\_\_\_\_ any information or materials needed to complete and verify my application for participation, and/or to maintain my continued occupancy under the Authority’s various housing programs. I understand and agree that this authorization or the information obtained with its use may be given to and used by the Connecticut Housing Finance Authority (CHFA) and the \_\_\_\_\_ in administering and enforcing program rules and public housing policies.

I also consent for the \_\_\_\_\_ to release information from my file about my rental history to CHFA, credit bureaus, collection agencies, or future landlords. This includes records on my payment history, and any violations of my lease or \_\_\_\_\_ policies.

INFORMATION COVERED

I understand that, depending on program policies and requirements, previous or current information regarding me or my household may be needed. Verifications and inquiries that may be requested include, but are not limited to:

- |                                |                                  |
|--------------------------------|----------------------------------|
| Identity and Marital Status    | Employment, Income, and Assets   |
| Residences and Rental Activity | Medical Allowances or Child Care |
| Criminal Activity              | Credits                          |

I understand that this authorization cannot be used to obtain any information about me that is not pertinent to my eligibility for and continued participation in a housing program.

I understand that this release may be used to allow any gas, electric, water or sewer utility company to release information about the status of my service and account information, in particular, to notify the Authority if service is about to be terminated.

GROUPS OR INDIVIDUALS THAT MAY BE ASKED

The groups or individuals that may be asked to release the above information (depending on program requirements) include but are not limited to:

Previous Landlords (including Public Housing Agencies)	Past and Present Employers
Courts and Post Offices	Welfare Agencies
Schools and Colleges	State Unemployment Agencies
Law Enforcement Agencies	Social Security Administration
Support and Alimony Providers	Medical and Child Care Providers
Retirement Systems	Veterans Administration
Credit Providers/Bureaus	Banks and other Financial Inst.
	Utility Companies

CONDITIONS

I agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization is on file with the \_\_\_\_\_ and will stay in effect for a year and a month from the date signed. I understand I have a right to review my file and correct any information that I can prove is incorrect.

---

SIGNATURES

Head of Household	(Print Name)	Date
Spouse	(Print Name)	Date
Adult Member	(Print Name)	Date
Adult Member	(Print Name)	Date

NOTE: THIS GENERAL CONSENT MAY **NOT** BE USED TO REQUEST A COPY OF A TAX RETURN FROM THE INTERNAL REVENUE SERVICE OR THE DEPARTMENT OF REVENUE SERVICES

**NOTICE OF OVER INCOME STATUS  
AND  
LIABILITY FOR SURCHARGE**

**(Owner)  
(Owner Address)**

Date:

(Tenant Name)  
(Tenant Address)

Dear \_\_\_\_\_:

Section 8-73 of Chapter 128 of the Connecticut General Statutes provides that a tenant must vacate their dwelling unit no later than sixty (60) days after the date that the owner mails him a notice to inform him that their annual income exceeds the limit set for continued occupancy in such housing. A tenant who does not vacate their dwelling unit after the 60-day period is subject to eviction. Section 8-73 also provides that a tenant who continues in occupancy beyond the 60-day period must pay a monthly surcharge equal to 2% of the amount by which their annual income exceeds the continued occupancy limit.

Based on information recently obtained during the annual certification process, we have determined that your annual income exceeds the limit set for continued occupancy in your dwelling unit. Pursuant to the above statutory requirements, you are hereby notified that your failure to vacate your dwelling unit by (date) will result in your paying a surcharge equal to (amount) effective (date). This amount must be paid in addition to your regular monthly rent of (amount). We may also be required to begin eviction proceedings against you on or about (date).

If you experience a reduction in your income, we will re-determine your eligibility for continued occupancy and will recalculate your surcharge based on your reduced income. Please let us know immediately if you experience a reduction in your income.

**Sincerely,**

(Owner Representative)



## Chapter 4 ELDERLY HOUSING PROGRAM

### Section 1. Program Description

- 4-1. Types of Assistance and Eligible Developers.** The Department of Housing (DOH)/ Connecticut Housing Finance Authority (CHFA) provides grants, deferred loans, or loans to housing authorities, nonprofit organizations, municipal developers, and limited partnerships for the development of housing for the elderly and the disabled, as defined in Chapter 128 and amended in CGS Section 8-114a.
- 4-2. Use of Development Funds and Handicap Units.** Funds may be available for the new construction or the rehabilitation of existing structures. Ten percent of the units must be designed to be accessible to individuals with physical disabilities.
- 4-3. Rental Subsidy Provided.** Rental Subsidies may be available to eligible individuals/families through the DOH's Rental Assistance Program.

### Section 2. Statutes, Regulations and Assistance Agreement

- 4-4. Statutes.** The Elderly Housing Program is subject to Sections 8-112a of the Connecticut General Statutes. [Chapter 128 - Department of Housing: Municipal Housing Projects](#)
- 4-5. Assistance Agreement.** Every Elderly Housing complex is also subject to the provisions of the Assistance Agreement between the Owner and DOH/CHFA.

### Section 3. Eligibility for Admission

- 4-6. Income Limits.** An applicant's total, **Gross Family Income** must be used to determine his/her eligibility for admission (see Section 1 of Chapter 9).

Per CGS Section 8-115a, the **admission limits** for Elderly Housing complexes shall be 80% of the AMI as published from time to time by HUD in the Federal Register adjusted for family size. They can be found on the Internet on CHFA's website at [www.chfa.org](http://www.chfa.org). Search Income Limits.

- 4-7. Eligible Families.** Only "elderly persons" are eligible. An "elderly person" means a person who is sixty-two years of age or older, or a person who has been certified by the Social Security Administration as being totally disabled under the Federal Social Security Act or certified by any other federal board or agency as being totally disabled. [CGS Sec. 8-115a (c)(2) (A) and (B)]

The Chief Executive Officer-Executive Director of CHFA may, for periods of up to one year, authorize an owner to admit persons who are less than sixty-two years of age but not less than fifty-five years of age (near elderly). Provided that the owner submits an application approved

by the chief executive officer of the municipality in which the owner is located demonstrating that:

- a. the owner is not able to attract an adequate number of elderly persons to occupy the project and,
- b. the owner has (1) published a notice, at least once each week during the thirty days preceding the submission of its application, in one or more newspapers having a substantial circulation in the municipality, indicating that the units are available and, (2) sent such notice, at least thirty days preceding submission of its application, to each owner operating an elderly housing project pursuant to Part VI of the Connecticut General Statutes and having fifty or more units. [CGS Sec. 8-115A –B]

No person admitted to such project pursuant to these provisions shall be evicted from or denied continued occupancy of such project solely because such person is less than sixty-two years of age.

Additional guidance on eligibility for occupancy is provided in the CGS Sec.8-116c.

#### **Section 4. Rent Determination**

**4-8. General Requirements.** Tenants must pay the base rent or a percentage of their adjusted gross income, minus a utility allowance, whichever is greater. The percentage must be established by the owner and approved by CHFA (Exhibit 4-1).

See Chapter 9 for detailed information on income and assets.

**4-9. Terms Used to Compute the Rent.**

- a. **Family Income.** The total, gross annual income received by all persons residing in the unit (see Section 1 of Chapter 9).
- b. **Adjusted Gross Income.** The Family Income less allowable deductions.
- c. **Medical Expenses.** See paragraph 9-10.e.
- d. **Adjusted Monthly Income.** The Adjusted Gross Income divided by twelve (12).
- e. **Current Approved Percentage.** The percentage by which the Adjusted Monthly Income is multiplied to determine if the tenant will pay more than the base rent. The percentage must be established by the owner and approved by CHFA on the most recently approved Management Plan.
- f. **Base Rent.** The minimum rent that must be charged to meet all of the complex's operating expenses. This rent is established on the Management Plan (i.e., the operating budget) for the complex.
- g. **Available Monthly Income.** The Adjusted Monthly Income multiplied by the Current Approved Percentage.
- h. **Utility Allowance.** The owner's estimate of the average monthly utility bills (gas, electric, oil, propane, sewer, and water) for an energy conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is no utility allowance.
- i. **Adjusted Monthly Rent.** The Available Monthly Income minus the Utility Allowance.

j. **Tenant Rent.** The greater of the Adjusted Monthly Rent or the Base Rent.

**4-10. Forms Used to Compute the Rent. Elderly Housing Rent Calculation Worksheet** is the form used to calculate the Tenant Rent. It should also be used to determine if an applicant's Gross Family Income exceeds the Admission Limit. The form appears in Exhibit 4-2 and can be downloaded at <https://www.chfa.org/owners-property-managers/property-management-resources/>.

### **Section 5. Recertifications**

**4-11. Recertification Requirements.** Tenants who are subsidized by the DOH's Elderly Rental Assistance Program (ERAP) must be recertified on an annual basis. All other tenants must be recertified at least once every two years. See Section 8 of Chapter 9 for details.

**4-12. Possession of Pets.** See Statutes, Section 8-116b for details.

**CERTIFICATE OF APPROVAL  
PERCENTAGE OF INCOME USED TO DETERMINE  
THE TENANT RENT IN ELDERLY HOUSING DEVELOPMENTS**

The \_\_\_\_\_, has established and fixed, by an appropriate Resolution of said Authority/Corporation, the percentage of income that will be used to determine the tenant rent in Elderly Housing Project(s)

No. \_\_\_\_\_ as follows:

Project Name(s)	% of Income
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

This is to certify that CHFA, has reviewed and herewith approves the percentage of income established by the \_\_\_\_\_ for Elderly Housing Project(s) No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator, State Housing Portfolio

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Managing Director, Multifamily Asset Management  
CHFA

\_\_\_\_\_  
Date



of the Base Rent. If the Program is only partially funded, I understand that the Rental Assistance payments may be distributed on a pro-rated basis, and I will be responsible for any additional payment due.

\_\_\_\_\_  
**Signature of Resident**

\_\_\_\_\_  
**Date**

## Chapter 5

### CONGREGATE HOUSING FOR THE ELDERLY PROGRAM

#### Section 1. Program Description

**5-1. Types of Assistance and Eligible Developers.** The Congregate Housing for the Elderly Program provides grants, deferred loans, or loans to housing authorities, a municipal developer, or a nonprofit corporation for the development of Congregate Housing for the frail elderly.

**5-2. Facilities and Services Required.** Congregate Housing complexes must consist of an office, community area, communal dining room, kitchen facilities and self-contained living units. At least one main meal a day must be served to all residents in the facility's dining area. Housekeeping services should be provided along with personal care services to assist in the delivery of services for daily living activities. There must be a staff person on duty 24 hours a day. Provide transportation arrangements, as needed, and provide assistance in contacting existing community services.

**5-3. Operating Subsidy Provided.** An operating subsidy is available to offset the expense of congregate services provided to low-income tenants. The subsidy consists of four components which are Rental Assistance, Core Services, Expanded Core Services and Assisted Living Services (ALSA). The Rental Assistance component provides subsidy towards the base rent. The Core Services component provides subsidy towards the costs associated with 24-hour security, housekeeping, meal services and social services. The Expanded Core Services component provides subsidy for a Resident Services Coordinator, wellness programs and emergency transportation. The Assisted Living Services component provides subsidies for qualified tenants requiring additional services to maintain an independent lifestyle within communities that participate in the ALSA program.

NOTE: As of 2016, DOH no longer provides the ALSA subsidy for new participants. New participants can elect to privately pay for the services and draw down on their assets from the initial enrollment until they become fully eligible for the DSS Connecticut Homecare Program for Elders.

#### Section 2. Statutes, Regulations and Assistance Agreements

**5-4. Statutes.** The Congregate Housing for the Elderly Program is subject to Sections 8-119d through 8-119s of the Connecticut General Statutes.

**5-5. Regulations.** The Congregate Housing for the Elderly Program is subject to the State of Connecticut's "Regulations for the Congregate Housing Program."

**5-6. Assistance Agreements.** Congregate Housing is also subject to an Assistance Agreement between the Owner and the State of Connecticut. The agreement includes two (2) management plans. One management plan covers the provisions of operating and maintaining the facility. The other management plan covers the provisions of the congregate subsidy.

### Section 3. Eligibility for Admission

**5-7. Income Limits.** An applicant's total, **Gross Family Income** must be used to determine their eligibility for admission (see Section 1 of Chapter 9).

The **admission limits** for Congregate Housing complexes shall be 80% of the AMI as published from time to time by HUD in the Federal Register, adjusted for family size. [Regulation 8-119g-4]. They can be found on the Internet on DOH's website at [www.ct.gov/doh](http://www.ct.gov/doh). Search Income Limits.

**5-8. Eligibility Conditions.** Residents must:

- a. Be 62 years of age or older,
- b. Meet established criteria of local selection committee and approved by the Commissioner of Housing. Criteria include but is not limited to:
  1. Physical and functional assessment of frailty
  2. Housing conditions and living arrangements
  3. Income and assets
  4. Daily living needs
- c. Meet income limits for admission (80% of AMI adjusted for family size)

Congregate Housing is defined by statute [CGS 8-119e (a)] to be a form of residential environment consisting of independent living assisted by congregate meals, housekeeping and personal services, for persons 62 years old or older, who have temporary or periodic difficulties with one or more essential activities of daily living such as feeding, bathing grooming, dressing or transferring.

### Section 4. Determining the Total Tenant Payment and Required Subsidy

**5-9. General Requirements.** Tenants must pay the amount of their monthly income that is available for rent and services, or the monthly cost of rent and services, whichever is lower.

The "monthly income available for rent" is equal to thirty percent (30%) of the tenant's adjusted monthly income less the applicable utility allowance. If the base rent for the complex is greater than the "monthly income available for rent", DOH's Congregate Subsidy Rental Assistance Component supplies the balance of the funds needed to pay the base rent.

The "monthly income available for services" is equal to the adjusted monthly income for core services less the sum of the monthly allowable deductions and the applicable utility allowance. If the cost of core services is greater than the "monthly income available for services" the balance of the funds needed to pay the core services is supplied by DOH's Congregate Subsidy Core Services Component.

**5-10. Terms Used to Compute the Total Tenant Payment and Required Subsidies.**

- a. **Family Income.** The total, gross annual income received by all persons residing in the unit. (See Section 1 of Chapter 9).
- b. **Gross Monthly Income.** The Family Income divided by 12.

- c. **Adjusted Gross Income (Rent).** The Gross Family Income less annual medical expenses not covered by insurance, which exceed 3% of the Gross Family Income.
- d. **Adjusted Monthly Income (Rent).** The Adjusted Gross Income divided by 12.
- e. **Medical Expenses.** See paragraph 9-10.e.
- f. **Utility Allowance.** The owner's estimate of the average monthly utility bills (except telephone, cable, and internet) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is no utility allowance.
- g. **Base Rent.** The minimum rent that must be charged to meet all of the complex's operating expenses. This rent is established on the Management Plan.
- h. **Monthly Income Available for Rent.** An amount equal to thirty percent (30%) of the tenant's Adjusted Monthly Income less the applicable Utility Allowance.
- i. **Adjusted Gross Income (Core Services).** The Gross Family Income less one half of annual medical expenses not covered by insurance.
- j. **Adjusted Monthly Income (Core Services).** The Adjusted Gross Income for Core Services divided by 12.
- k. **Monthly Allowable Deductions.** There are four (4) monthly deductions subtracted from the tenant's Monthly Income to determine the Monthly Income Available for Core Services. The deductions are 15% of Adjusted Monthly Income (Core Services), a personal allowance, a food allowance, and a medical allowance. **The dollar amount for the personal, food and medical allowances can be obtained from DOH.**
- l. **Monthly Income Available for Services.** An amount equal to the Adjusted Monthly Income (Core Services) less the sum of the Monthly Allowable Deductions, the Monthly Income Available for Rent, and the applicable Utility Allowance.
- m. **Per Unit. Per Month (PUM) Cost of Core Services.** This amount is determined as follows:  $\{\text{Total Cost of Core Services divided by 12}\} \text{ divided by } \{\text{Total Number of Units in the Complex}\} = \text{the PUM for Core Services.}$
- n. **Total Tenant Payment to the Owner.** An amount equal to the sum of the Monthly Income Available for Rent, the Monthly Income Available for Core Services and the Monthly Income Available for ALSA Services, if applicable.

#### **ALSA Terms**

- o. **Protected Income.** The Department of Social Services (DSS) set monthly income amount plus monthly Medicare Part B premium plus monthly medical insurance premiums.
- p. **Income Available to pay Towards ALSA Cost.** Gross Monthly Income minus Protected Income.
- q. **Tenant Cost ALSA Services.** If participating in the DSS/Connecticut Homecare Program for Elders(CHCPE) or DOH Program the current year's annualized cost that a Family would pay towards ALSA services. Services obtained outside either of these two programs would be handled as normal medical expenses and are not included in this definition.

**5- 11. Congregate Housing Worksheet.** The Congregate Housing Worksheet is the form used to determine the total payment due from the Tenant in Congregate Housing. It is also used to determine the amount of the Congregate Subsidy for the rental assistance component, the core services component and if applicable, the ALSA component for the tenant. The form appears in Exhibit 5-1 and can also be downloaded at <https://portal.ct.gov/doh/doh/programs/congregate-facilities-operating-cost-program>.

**5-12. Congregate Services Program – Tenant Rent Roll.** The Congregate Services Program Tenant Rent Roll is the form used to determine the amount of tenant payments and the amount of rental assistance, core services and ALSA component subsidy required. The amount for each tenant should correspond with the tenant’s congregate housing worksheet. Total amounts on the rent roll should agree with the figures on the annual administration management plan and congregate services management plan. The Congregate Services Program – Tenant Rent Roll form should accompany the proposed management plans as supporting documentation. The form appears in Exhibit 5-2.

### **Section 5. Procedure for Increases in the Amount Charged for Core Services**

**5-13. Procedure for Increases in the Amount Charged for Core Services.** The following procedure must be adhered to whenever the Owner proposes to increase the amount charged for Core Services. The owner’s failure to adhere to this procedure will invalidate the increase:

- a. Within sixty (60) days of the proposed increase, the Owner must submit a revised Congregate Services Management Plan to DOH.
- b. Within thirty (30) days after the receipt of the revised Congregate Services Management Plan, DOH will approve, disapprove, or request modification of the increase or any portion thereof.
- c. If the increase is approved by DOH, the owner must give the tenants at least 30 days written notice prior to the effective date of the increase.

**NOTE:** The procedure contained in Section 12 of Chapter 9 must be adhered to for all increases in the base rent. The two procedures may be implemented together if the owner proposes to increase both the base rent and the amount charged for core services.

### **Section 6. Recertifications**

**5-14. Recertification Requirements.** All persons/families residing in Congregate Housing complexes must be recertified on an annual basis. The procedure appearing in Section 10 of Chapter 9 must be adhered to for these Recertifications.

### **Section 7. Assisted Living Services in State Sponsored Congregate Programs**

**5-15. General Overview:** Public Act 00-2 allows DOH to offer Assisted Living Services to the residents in state financed congregate housing facilities. The “Manual for Service Providers for Assisted Living in State-Funded Congregate Housing” which contains the program regulations is available from the Department of Social Services.

This program allows residents eligible for the CHCPE to participate in assisted living services through the CHCPE. If the resident is not eligible for the CHCPE they may participate in DOH’s assisted living component. The DOH component provides a subsidy for assisted living services at a dollar level periodically reviewed and set by DOH.

**5-16. Determining Tenant contributions for ALSA services:** A tenant participating in DSS’s CHCPE will have their contribution, if any determined, by DSS. This amount will be provided to the Congregate by DSS on DSS form W-1523. Eligibility for the CHCPE is determined by DSS based on an asset limit which is set by DSS and the applicant having at least one critical need.

A tenant participating in DOH’s Assisted Living Program will have their contribution determined by taking the “gross monthly income” and subtracting the “protected income” to determine the “income available to pay towards ALSA cost”. If there is an amount greater than zero resulting from this calculation this amount will be applied towards the monthly cost of ALSA services first, before the DOH subsidy can be applied. After the amount of “income available to pay towards ALSA cost” is subtracted from the monthly ALSA cost then the DOH subsidy amount is applied to the remaining balance. If the total DOH subsidy does not cover the entire cost the remaining dollar value must be paid from the tenant’s assets or other tenant sources.

- Ex.                      Monthly Cost of ALSA Services
- Tenant Income Available for ALSA Costs (applied 1<sup>st</sup>)
  - DOH subsidy (applied second)
  - = Balance paid by tenant assets/other sources.

Once a DOH ALSA participant’s assets have dropped below the CHCPE threshold this individual should then be transferred to the DSS CHCPE program.

For residents participating in the State Funded Congregate Housing Assisted Living Program (either DSS or DOH component) the projected out of pocket ALSA cost for the next year is used as a medical deduction, this is known as “tenant cost ALSA Services” (See line 3b in rent calculation).

**Congregate Housing Certification Worksheet**

Resident's Name:		No. of Tenants	
Unit Number:		No. Receiving ALSA	
Certification Type:		Effective Date	

**RENT CALCULATION**

1 Family Gross Income (from Income tab)		0
Medical Deduction Calculation:		
2 <b>For NON ALSA tenant:</b>		
a.) Total Medical Expenses from previous year (from Medical tab)		0
b.) Less: Amounts Reimbursed to the tenant		
c.) Total Non Reimbursed Medical Expenses		0
3 <b>For ALSA tenant:</b>		
a.) Medical Expenses from previous year (from Medical tab)		0
b.) Plus: Tenants Cost/ALSA services ANNUALIZED for current year		0
c.) Less: Amounts Reimbursed to the tenant		
d.) Total Non Reimbursed Medical Expenses		0
4 Calculate 3% of Family Gross Income (Line 1 x .03)		0
5 TOTAL MEDICAL ALLOWANCE (Lines 2c OR 3d minus line 4)		FALSE
6 Adjusted Gross Income (Line 1 minus Line 5)		0
7 Adjusted Monthly Income (Line 6 divided 12)		0
8 30% of Adjusted Monthly Income (Line 7 x .30)		0
9 Utility Allowance: Efficiency unit		
Utility Allowance: 1 BR unit		
10 Adjusted Mo. Income Available for Rent (Line 8 minus Line 9)		0
11 Base Rent ( from Management Plan)		0
12 <b>Mo. Income Towards Rent (Lesser of Line 10 or Line 11)</b>		0

**SERVICES CALCULATION**

13 Family Income (Same as Line 1)		0
14 50% of non Reimbursed Medical expenses (Line 2c OR 3d x .50)		0
15 Adjusted Gross Income (Line 13 minus Line 14)		0
16 Adjusted Monthly Income (Line 15 divided by 12)		0
17 Monthly Allowable Deductions:		
a.) 15% of Adjusted Monthly Income (Line 16 x .15)		0
b.) Personal		
1 person	\$ 122	
2 persons	200	
c.) Food		
1 person	183	
2 persons	261	
d.) Medical		
1 person	70	
2 persons	135	
18 Total Monthly Deductions (Add lines 17 a,b,c,d)		0
19 Tenant Paid Utilities (same as Util.Allow. On Line 9)		0
20 <b>Mo. Income Towards Services-THE LESSER OF:</b>		0
Line 16 minus Lines 12 & 18 & 19 OR		0
Line 22		0

**ALSA Program  
DOH-Subsidized Clients ONLY**

DSS Allowable Level of Income	
Protected Monthly	
+ Medicare Part B Prem.	
+ Medical Insurance	
Monthly Premium	
= Amount of income	0.00
"protected"	
Gross Monthly Income	0.00
Less: protected amount	0.00
= income Available to pay	
towards ALSA cost	0.00
<b>Level</b>	
<b>Monthly Rate</b>	
Tenant Pmt/Income	0.00
DOH Subsidy	0.00
(Maximum \$1,101)	
Balance due from	0.00
Tenant's Assets/other sources	
<b>Annualized Tenant Cost of ALGA</b>	
from ALL sources	0.00
(carry to line 3b)	

Note: the monthly amount due from the tenant for ALGA services will be collected by the MRC and paid to the service provider on behalf of tenant

	Actual Costs	Tenant Contribution	DOH Subsidy
21 Monthly Rent (PUM from Management Plan)		0	0
22 Monthly CORE Service (PUM from Cong.Serv. M.Plan)		0	0
23 TOTAL RENT AND CORE SERVICES (Line 21 + Line 22)	0	0	0
24 Monthly ALSA fee (from rate schedule)	0	0	0
25 Total All Costs and Source of Payment	0	0	0

Prepared By:	Date:
Verified By:	Date:
Tenant Signature:	Date:



## CHAPTER 6

### HOUSING FOR THE HOMELESS PROGRAM

#### Section 1. Program Description

**6-1. Eligible Developers and Types of Housing.** The Housing for the Homeless Program provides financial assistance to community housing development corporations, nonprofit corporations, and municipal developers for the development of rooming houses for homeless persons or multifamily dwellings for families in need of transitional housing and support services. [CGS Statute 8-356] Funds may be used for the acquisition of homes (including mobile/manufactured homes), relocation, professional services, site development, and building rehabilitation or construction.

**6-2. Definition of a Rooming House.** A rooming house provides sleeping accommodations for more than three persons, on either a transient or permanent basis, with or without meals, but without separate cooking facilities, for each occupant.

**6-3. Definition of Transitional Housing.** A transitional housing facility is a multifamily dwelling that provides sleeping accommodations and support services for more than one person for a period of six to twenty-four months. [CGS Statute 8-357]

**6-4. No Operating Subsidy.** No operating subsidy is provided. Due to the statutory limits on rents charged in these complexes being insufficient to ensure financial operation or the provision of support services, alternative sources of revenue are necessary (e.g., Federal subsidies, grants from social service agencies, charitable contributions, etc.).

#### Section 2. Statutes, Regulations and Assistance Agreement

**6-5. Statutes.** The Housing for the Homeless Program is subject to Sections 8-355 through 8-364 of the Connecticut General Statutes.

**6-6. Regulations.** The Housing for the Homeless Program is subject to the State of Connecticut's Regulations for the Housing for the Homeless Program.

**6-7. Assistance Agreement.** Every Housing for the Homeless complex is also subject to the Assistance Agreement between the owner and the DOH.

#### Section 3. Eligibility for Admission

**6-8. Income Limits.** An applicant's adjusted gross income must be used to determine their eligibility for admission.

The admission limits for Housing for the Homeless complexes shall be equal to fifty percent (50%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development. [CGS Statute 8-357] Thus, the HUD "Very Low"

income limits, adjusted for family size, must be used as the income limits for the Housing for the Homeless Program.

**6-9. Eligible Persons/Families.**

- a. **Rooming Houses.** Applicants must be homeless persons referred by an emergency shelter, municipal welfare department, the Department of Social Services, the Department of Mental Health and Addition Services, or the Coordinated Access Network.
- b. **Transitional Housing.** Applicants must have received emergency shelter services or shelter services for victims of domestic violence within six months prior to the date of application. Applicants must also be referred by an emergency shelter, municipal welfare department, the Department of Social Services.
- c. An **“emergency shelter”** is a privately or publicly supported structure designed to house persons on a temporary basis for whom shelter is not otherwise available.
- d. **“Emergency shelter services”** means the provision of temporary housing to homeless persons.
- e. A **“homeless person”** is any person who does not have overnight shelter or sufficient income or resources to secure such shelter.

**Section 4. Rent Determination**

See Chapter 9 for detailed information on income and assets.

**6-10. General Requirements.** Residents must pay thirty percent (30%) of their adjusted monthly income minus a utility allowance. The maximum amount shall be 30% or an amount equal to the shelter component of the general assistance grant as determined by the town or whichever is greater. [CGS Statute 8-358]

**6-11. Terms Used to Compute the Rent.**

- a. **Family Income.** The total gross annual income received by all persons residing in the unit. (See Section 1 of Chapter 9).
- b. **Adjusted Gross Income.** The Family Income less all allowable deductions.
- c. **Monthly Adjusted Gross Income.** The Adjusted Gross Income divided by twelve (12).
- d. **Available Monthly Income.** The Monthly Adjusted Gross Income multiplied by 30%. [CGS Statute 8-358]
- e. **Utility Allowance.** The owner’s estimate of the average monthly utility bills (except telephone, cable, and internet) for an energy conscious household. This estimate considers only utilities paid directly by the residents. If all utilities are included in the rent, there is no Utility Allowance.
- f. **Tenant Rent.** An amount equal to 30% of the Monthly Adjusted Gross Income minus the Utility Allowance, or the amount designated for housing costs under General Assistance Programs. [CGS Statute 8-358]

**6-12. Forms Used to Compute the Rent.** The **Housing for the Homeless Rent Calculation Sheet** is the form used to determine the Tenant Rent. It should also be used to determine if an applicant’s Adjusted Gross Income exceeds the Admission Limit.

## Section 5 –Annual Recertifications

6-13. **Recertification Requirements**. All persons/families residing in Housing for the Homeless complexes must be recertified on an annual basis. The procedure appearing in Section 5 of Chapter 9 must be adhered to for these recertifications.

**Annual Report to CHFA  
Housing for the Homeless Program**  
Statutory Reference: Section 8-355 Through 8-364

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FOR THE PERIOD: January 1, \_\_\_\_\_ Through December 31, \_\_\_\_\_

- **Due to DOH within 30 days of the end of the calendar year**

*Part I*

**Organizational Information:**

1. \_\_\_\_\_

Sponsor Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City/Town/Borough                  Zip Code

1A. \_\_\_\_\_

Name of Facility

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City/Town/Borough                  Zip Code

2. Current Administrative Contact Person:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Area Code - Telephone Number

\_\_\_\_\_  
Normal Hours of Work

\_\_\_\_\_  
Area Code - Fax Number

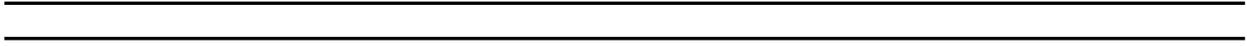
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*Part II*

**Project Specific Information:**

3. Has the property's operation kept current on all vendor invoices during the prior year?  
      \_\_\_\_\_ Yes                                  \_\_\_\_\_ No

**If NO**, please provide a brief explanation.



4. Has the property's operation paid all property taxes when they were due during the prior year?  
\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ N/A

4a. If NO, have any tax liens been placed on the property?  
\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ N/A

If YES to question 4a, please attach a report outlining the current situation, liens, amounts of back taxes due, and the plan of corrective action that the organization is pursuing.

5. Is there any pending litigation that will impact the facility?  
\_\_\_\_\_ Yes                      \_\_\_\_\_ No

If YES, please provide a brief explanation.

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6. Is there any known financial impediment that would cause this property to cease operating for its intended purpose during the upcoming calendar year?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

If YES, please provide a brief explanation.

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Maintenance:

7. In your opinion, the condition of the following could be rated as follows: (A poor rating would reflect probable substantial repair or replacement in the next 18 months.)

	<u>Acceptable</u>	<u>Poor</u>
Roof	_____	_____
Exterior Siding (missing or needing painting)	_____	_____
Exterior Window Trim (paint)	_____	_____
Exterior Windows	_____	_____
Exterior Door Trim (paint)	_____	_____
Exterior Doors (replacement or needing paint)	_____	_____
Heating System	_____	_____



	<u>Acceptable</u>	<u>Poor</u>
Plumbing System – Drains Interior	_____	_____
Drains Exterior	_____	_____
Plumbing System – Hot & Cold-Water Pipes	_____	_____
Electrical System	_____	_____

8. In your opinion, would any of the maintenance conditions rated “poor” cause this property to cease operating for its intended purpose during the upcoming calendar year because they would not be able to be repaired or replaced due to lack of funds?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. Are there any other maintenance problems that you want us to know of?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Occupancy Information:**

10. On average the property experiences a vacancy rate of \_\_\_\_\_%.

11. The State agencies that awarded financial assistance toward the project or program operation during the calendar year were:

- |          |          |          |
|----------|----------|----------|
| A. _____ | D. _____ | G. _____ |
| B. _____ | E. _____ | H. _____ |
| C. _____ | F. _____ | I. _____ |

**Determination of Rent:**

12. Have program participants been charged rent to stay at the facility during the past year?  
 \_\_\_\_\_ Yes                      \_\_\_\_\_ No

If NO, please provide a brief explanation.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

13. Does a one person households that receives General Assistance (GA) pay an amount equal to the shelter component of the GA grant?

\_\_\_\_ Yes

\_\_\_\_ No

14. Do all other households pay 30% of the adjusted monthly income, less the household's utility allowance; or zero, whichever amount is greater?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

15. Were all households recertified annually?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**General Information:**

16. If CHFA staff have any questions relative to information contained in this report they can contact:

.

.

.

\_\_\_\_\_

Name

at

\_\_\_\_\_

Area Code – Telephone Number

SEND THE COMPLETED REPORT TO:

Michael.Santoro@ct.gov



## Chapter 7

### LIMITED EQUITY COOPERATIVES PROGRAM

#### Section 1. Program Description

7-1. **Types of Assistance, Eligible Developers, and Use of Development Funds.** The Limited Equity Cooperative Program provided grants, deferred loans, or loans to nonprofit corporations for the development of limited equity cooperatives for low- and moderate-income families. Funds were used for the purchase, acquisition, rehabilitation or construction of housing. [CGS Statute 8-214F]

7-2. **Required Contributions by Residents.** Residents must contribute their labor; make a cash contribution, or both, in order to become a cooperative member. Any return on equity is limited by the cooperative to ensure future affordability of the units to low- and moderate-income families. [CGS Statute 8-214F] Residents are responsible for the ongoing operation and management of a Limited Equity Cooperative project.

7-3. **No Operating Subsidy.** No operating subsidy is provided for these projects. All operating expenses must be paid from the carrying charges collected from the tenants.

#### Section 2. Statutes, Regulations and Assistance Agreement

7-4. **Statutes.** The Limited Equity Cooperative Program is subject to Sections 8-214f through 8-214h of the Connecticut General Statutes.

7-5. **Regulations.** The Limited Equity Cooperative Program is subject to the State of Connecticut's Regulations for the Limited Equity Cooperative Program. Copies of these Regulations may be obtained from the CHFA's Asset Management Division.

7-6. **Assistance Agreement.** A Limited Equity Cooperative is also subject to the provisions of the Assistance Agreement between the owner and the CHFA.

#### Section 3. Eligibility for Admission

7-7. **Income Limits.** An applicant's **adjusted gross income** must be used to determine his/her eligibility for admission. [Reg 8-214h-9]

The **admission limits for complexes financed with a grant** shall be equal to fifty percent (50%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD), unless otherwise approved by the Commissioner of Housing/Chief Executive Officer – Executive Director of CHFA. [Reg 214h-8(b)] Thus, the HUD “Very Low” income limits must be used as the admission limits for complexes financed with a **grant**, unless different limits are approved by the Chief Executive Officer – Executive Director of CHFA.

The **admission limits for complexes financed with a loan or a grant/loan combination** shall be equal to one hundred percent (100%) of the area median income, adjusted for family size, as determined from time to time, by HUD, unless otherwise approved by the Commissioner of Housing/Chief Executive Officer – Executive Director of CHFA. [Reg 214h-8] Thus, the admission limits for complexes financed with a **loan or a grant/loan combination** must be determined with the following formula, unless different limits are approved by the Chief Executive Officer – Executive Director of CHFA: HUD “Very Low” Income Limits x 2 = Admission Limits.

**Continued Occupancy** shall be permitted by resident members whose incomes rise above low- and moderate-income limits, provided the rent to be paid for such continued occupancy shall be fixed at a level not less than twenty-five per cent of the resident members’ adjusted household income. (Sec. 8-214f).

**Exceptions to the normal admission limits** must be approved by the Chief Executive Officer – Executive Director of CHFA using the “Certificate of Approval” contained in Exhibit 7-1.

**7-8. Eligible Families.** Low- and moderate-income families with incomes below the admission limits are eligible. ‘Family’ means a household consisting of one or more persons.

#### **Section 4. Carrying Charge Determination**

See Chapter 9 for detailed information on income and assets.

**7-9. General Requirements.** A Limited Equity Cooperative has three ( 3 ) options for determining the carrying charge: (1) the Cooperative may charge the “established carrying charge” approved on the complex’s Management Plan (i.e., operating budget); (2) the Cooperative may charge an “income based” carrying charge equal to a percentage of the adjusted gross income, not to exceed 30%, minus a utility allowance; or (3) the Cooperative may charge **the greater of** the “established carrying” or an “income based” carrying charge equal to a percentage of the adjusted gross income, not to exceed 30%, minus a utility allowance.

The Regulations for the Limited Equity Cooperative program specify that residents will pay a carrying charge equal to:

- a. A percentage of the residents’ adjusted gross income, not to exceed 30%, minus a utility allowance for those residents who pay their own utilities. The percentage shall be established by the Board of Directors and approved by the Commissioner of Housing/Chief Executive Officer – Executive Director of CHFA; and/or
- b. The established carrying charge determined by the developer and approved by the Commissioner of Housing/Chief Executive Officer – Executive Director of CHFA on the complexes Management Plan.

The Board of Directors shall manage the project in an efficient manner so as to enable it to fix the carrying charges for the dwelling units at the lowest possible rates consistent with providing decent, safe, and sanitary dwelling units. The total project income from carrying charges and other income shall be sufficient to meet the costs of project operation including but not limited to:

- Property taxes, either full or abated, or payments in lieu of taxes;
- the cost of a State Service Charge if one is assessed;
- the cost of operating and maintaining the project including its administrative costs, provision of reasonable reserves for repairs, maintenance and replacements, a reserve for amounts refundable to residents who vacate their units, and vacancy and collection losses;
- the cost of principal and interest due and payable on loans;
- not more than 10% return on equity capital (Sec 8-214h-6).

**7-10. Terms Used to Compute the Carrying Charge.**

- Gross Family Income.** The total gross annual income received by all persons residing in the unit. (See Section 1 of Chapter 9).
- Adjusted Gross Income.** The Family Income less all allowable deductions.
- Monthly Adjusted Gross Income.** The Adjusted Gross Income divided by twelve (12).
- Carrying Charge.** The amount, excluding any security deposits, membership fees or down payments, payable by each resident for occupancy of a dwelling unit, whether or not such dwelling unit is owned or operated on a landlord-tenant or home ownership basis, or as a condominium or cooperative.
- Established Carrying Charge.** The minimum carrying charge that must be collected from each family to meet all of the complex's operating expenses. This carrying charge is established on the Management Plan (i.e., the operating budget) for the complex.
- Income Based Carrying Charge.** The carrying charge is determined by multiplying the resident's Monthly Adjusted Gross Income by the Current Approved Percentage.
- Current Approved Percentage.** The percentage by which the Monthly Adjusted Gross Income is multiplied to determine the Income Based Carrying charge, to a maximum of 30%. The percentage must be established by the owner and approved by the Chief Executive Officer – Executive Director of CHFA using the "Certificate of Approval" that appears in Exhibit 7-2.
- Utility Allowance.** The Cooperative's estimate of the average monthly utility bills (except telephone, cable, and internet) for an energy - conscious household. This estimate considers only utilities paid directly by the resident. If all utilities are included in the carrying charge there is no utility allowance.

**7-11. Forms Used to Compute the Carrying Charge.**

- Carrying Charge Worksheet A.** This form is used for complexes that collect only an established carrying charge. The form appears in Exhibit 7-3.
- Carrying Charge Worksheet B.** This form is used for complexes that collect only an income based carrying charge. The form appears in Exhibit 7-4.

- c. Carrying Charge **Worksheet C**. This form is used for complexes that collect **the greater of an income based carrying charge or an established carrying charge**. The form appears in Exhibit 7-5.

### Section 5. Recertifications

7-12. **Procedure for Recertifications**. The procedure to be followed for Recertifications appears in Chapter 9. All certifications are to be effective May 1, with any carrying charges, unless otherwise approved by CHFA.

7-13. **Which Cooperatives are Required to Perform Annual Recertifications**. Cooperatives that collect an income based carrying charge, or the greater of an income based and an established carrying charge, must recertify on an annual basis.

7-14. **Which Cooperatives are Required to Perform Biennial Recertifications**. Cooperatives that collect an established carrying charge must recertify on a biennial basis.

7-15. **Substitution of Terms when Following Recertification Procedures**. The terms “resident”, “carrying charge”, “established carrying charge”, and “maximum carrying charge” should be substituted for the terms “tenant”, “rent”, “base rent”, and “maximum rent” respectively when implementing the recertification procedures contained in Chapter 9.

### Section 6. Occupancy Requirements

7-16. **Applicability of Occupancy Requirements**. All of the occupancy requirements contained in Chapter 9 apply to Limited Equity Cooperatives. Owners should substitute the terms “resident”, “carrying charge”, “established carrying charge”, and “maximum carrying charge” for the terms “tenant”, “rent”, “base rent”, and “maximum rent” when implementing these requirements.

### Section 7. Return On Equity

7-17. **Calculation of Return on Equity**. In the event a Cooperative member vacates his/her dwelling unit in a Limited Equity Cooperative project, the resident may be entitled to no more than the following payment(s) as a return on equity [Reg 8-214h-6(5):

- a. 100% of the cash contribution and/or value of the “**sweat equity**” contribution. [Reg 214h-6(d)(1).
- b. No more than ten percent (10%) compounded annually of the value of such contribution and/or sweat equity contribution for the period of occupancy of the unit. [Reg 8-214h-6(d)]
- c. The current value of any permanent authorized improvements paid for by the cooperative member and approved by the Board of Directors. [Reg 8-214h-6(d)3]

**NOTE:** “Sweat Equity” means the value of the labor provided by or on behalf of the Cooperative member, at a fixed hourly rate, for the construction, rehabilitation, operation or management of a Limited Equity Cooperative project. [Reg 214h-1(aa)]

CERTIFICATE OF APPROVAL INCOME LIMITS FOR ADMISSION TO A  
LIMITED EQUITY COOPERATIVE

The \_\_\_\_\_ has established and fixed, by an  
**(Agency/Authority/Owner)**  
appropriate Resolution of said the income limits for admission to Project No. \_\_\_\_\_ as follows:

**Admission Income Limits**

- \$ \_\_\_\_\_ for 1 person
- \$ \_\_\_\_\_ for 2 persons
- \$ \_\_\_\_\_ for 3 persons
- \$ \_\_\_\_\_ for 4 persons
- \$ \_\_\_\_\_ for 5 persons
- \$ \_\_\_\_\_ for 6 persons
- \$ \_\_\_\_\_ for 7 persons
- \$ \_\_\_\_\_ for 8 persons

\_\_\_\_\_  
**Authorized Representative**

\_\_\_\_\_  
**Date**

This is to certify that CHFA has reviewed and herewith approves the income limits for tenant admission to  
Project No. \_\_\_\_\_ fixed by \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer – Executive, CHFA

Date \_\_\_\_\_

**CERTIFICATE OF APPROVAL  
PERCENTAGE OF INCOME USED TO DETERMINE  
THE TENANT RENT IN A LIMITED EQUITY COOPERATIVE HOUSING PROJECT**

The \_\_\_\_\_, has established and fixed, by an appropriate Resolution of said Limited Equity Cooperative, the percentage of income that will be used to determine the resident carrying charge in Project No. \_\_\_\_\_ as follows:

Project Name(s)	% of Income
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

This is to certify that CHFA, has reviewed and herewith approves the percentage of income established by the \_\_\_\_\_ for Limited Equity Cooperative Housing Project No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer – Executive Director, CHFA

\_\_\_\_\_  
ate

## Limited Equity Cooperative Carrying Charge Calculation Sheet

Resident's Name: \_\_\_\_\_ Effective Date \_\_\_\_\_  
 Unit Number: \_\_\_\_\_ Number of Dependents: \_\_\_\_\_  
 Town: **Andover**  
 Total Number of Household Members: \_\_\_\_\_  
 Does the Cooperative have a loan with CHFA? **Yes**

**A. Family Income**

	<u>Resident</u>	<u>Gross Income</u>		<u>Resident</u>	<u>Gross Income</u>
1.	_____	_____	2.	_____	_____
3.	_____	_____	4.	_____	_____
5.	_____	_____	6.	_____	_____
7.	_____	_____	8.	_____	_____
9. Interest from Asset Sheet		0			
<b>Gross Family Income:</b>					\$ _____

**B. Allowable Deductions (Regulation Sec. 8-79a-14(c))**

1. Total Earned Income of all dependents under 18				\$ _____
2. Foster Care proceeds or State DCF Adoption Program Payments				\$ -
3. Earned Income of full-time students under 23				\$ -
4. Total Medical Expenses	\$ _____			
Less 3% of Lin A. Total	- _____			
Allowable medical deduction	\$ _____			\$ _____
5. Child care costs - affording gainful employment				\$ _____
6. Child Support payments or alimony paid to someone outside the household				\$ -
7. Number of Dependents multiplied by \$750 (not a spouse of a household member)				\$ -

**C. Total Deductions (Add Lines B 1-7)**

D. Adjusted Gross Income (Line A minus Line C)				\$ _____
E. Monthly Adjusted Gross Income (Line D. divided by 12)				\$ _____
F. Available Monthly Income (30% of Line E)				\$ _____
G. Utility Allowance, if any.	\$ _____			\$ _____
H. Income-based Carrying Charge (Line F. minus Line G. Rounded Down)				\$ _____
I. Established Flat Carrying Charge (as approved by CHFA)	\$ _____			\$ _____
J. Carrying Charge (greater of Line H. or Line I.)				\$ _____
K. Income Limit for Admission based on Family size	\$ _____			INCOME ELIGIBLE
L. 125% of Area Median Income (AMI)	\$ _____			Under 125% AMI
M. Member Carrying Charge (inclusive of surcharge if applicable)				\$ _____

**Note:** Applicants can not be admitted if their **ADJUSTED Family Income** exceeds the Income Limit for Admission.

**Summary:** 30% of available monthly income i \_\_\_\_\_; however the established carrying charge i \_\_\_\_\_

## Chapter 8

### MUTUAL HOUSING PROGRAM

#### Section 1. Program Description

**8-1. Eligible Developers, Types of Assistance, Use of Development Funds.** The Mutual Housing Program provides financial assistance to mutual housing associations for the development of housing for low and moderate-income families. Financial assistance is in the form of grants, deferred loans, or loans. Funds may be used for the acquisition, rehabilitation or construction of Mutual Housing complexes.

**8-2. Definition of Mutual Housing Associations.** Mutual Housing Associations are nonprofit corporations whose members include residents who participate in the ongoing operation and management of such housing. These residents have the right to continued residency as long as they comply with the terms of the occupancy agreement. Residents do not possess an equity or ownership interest in such housing.

**8-3. No Operating Subsidy.** No operating subsidy is provided for these complexes. All operating expenses must be paid from the carrying charges collected from the tenants.

#### Section 2. Statutes, Regulations and Assistance Agreement

**8-4. Statutes.** The Mutual Housing Program is subject to Sections 8-214f through 8-214h of the Connecticut General Statutes.

**8-5. Regulations.** The Mutual Housing Program is subject to the State of Connecticut's Regulations for the Mutual Housing Program, 8-214h 1-20.

**8-6. Assistance Agreement.** A Mutual Housing complex is also subject to the provisions of the Assistance Agreement.

#### Section 3. Eligibility for Admission

**8-7. Income Limits.** An applicant's adjusted gross income must be used to determine their eligibility for admission.

The **admission limits for complexes financed with a grant** shall not exceed fifty percent (50%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development (HUD), unless otherwise approved. Thus, the HUD "Very Low" income limits must be used.

The **admission limits for complexes financed with a loan or a grant/loan combination** shall not exceed one hundred percent (100%) of the area median income, adjusted for family size, as

determined from time to time, by the HUD, unless otherwise approved. Thus, the admission limits for complexes financed with a loan or a grant/loan combination must be determined with following formula: HUD “Very Low” Income Limits x 2 = Admission Limits

**Exceptions to the normal admission limits** must be approved by using the “Certificate of Approval” contained in Exhibit 8- 1.

**8-8. Eligible Families.** Low- and moderate-income families with incomes below the admission limits are eligible. “Family” means a household consisting of one or more persons.

#### **Section 4. Carrying Charge Determination**

See Chapter 9 for detailed information on income and assets.

##### **8 -9. General Requirements**

A Mutual Housing Association has three (3) options for determining the carrying charge: (1) the Association may charge the “established carrying charge” approved on the complex’s Management Plan (i.e., operating budget); (2) the Association may charge an “income based” carrying charge equal to a percentage of the adjusted gross income, not to exceed 30%, minus a utility allowance or (3) the Association may charge **the greater of** the “established carrying” or an “income based” carrying charge equal to a percentage of the adjusted gross income, not to exceed 30%, minus a utility allowance.

The Regulations for the Mutual Housing Program also provide that residents whose adjusted gross incomes increase to a level above 125% of the area median income must pay carrying charges in an amount not less than twenty-five percent (25%) of their adjusted gross incomes. The 125% “threshold” used to implement this requirement must be calculated with the following formula: (HUD “Very Low” Income Limit x 2 x 1.25 = 125% Threshold).(Sec 8-214h-12(b)).

The Minimum Carrying Charge Worksheets appearing in Exhibits 8-3 through 8-8 must be used to calculate the residents’ carrying charges whenever the residents’ Adjusted Gross Incomes increase to a level above the 125% Threshold.

##### **8-10. Terms Used to Compute the Carrying Charge.**

- a. **Family Income.** The total gross annual income received by all persons residing in the unit.
- b. **Adjusted Gross Income.** The Family Income less all allowable deductions.
- c. **Monthly Adjusted Gross Income.** The Adjusted Gross Income divided by twelve (12).
- d. **Carrying Charge.** The amount, excluding any security deposits, membership fees or down payments, payable by each resident for occupancy of a dwelling unit, whether or not such dwelling unit is owned or operated on a landlord-tenant or home ownership basis.

- e. **Established Carrying Charge.** The minimum carrying charge that must be collected from each family to meet all the complex's operating expenses. This carrying charge is established on the Management Plan (i.e., the operating budget) for the complex.
- f. **Income Based Carrying Charge.** The carrying charge is determined by multiplying the resident's Monthly Adjusted Gross Income by the Current Approved Percentage.
- g. **Current Approved Percentage.** The percentage by which the Monthly Adjusted Gross Income is multiplied to determine the Income Based Carrying charge. The percentage must be established by the owner and approved using the "Certificate of Approval" that appears in Exhibit 8-2.
- h. **Utility Allowance.** The Owner's estimate of the average monthly utility bills (heat, hot water, cooking) for an energy - conscious household. This estimate considers only utilities paid directly by the resident. If all utilities are included in the carrying charge, there is no utility allowance.
- i. **Minimum Carrying Charge.** The lowest carrying charge payable by residents whose Adjusted Gross Incomes increase to a level above 125% of the area median income. The Minimum Carrying Charge is equal to 25% of the residents' Adjusted Gross Income.

**8-11. Forms Used to Compute the Carrying Charge.**

- a. For complexes that collect only an established carrying charge: Use Carrying Charge **Worksheet A**. The form appears in Exhibit 8-3.
- b. For complexes that collect only an income based carrying charge: Use Carrying Charge **Worksheet B**. The form appears in Exhibit 8-4.
- c. For complexes that collect **the greater of** an income based carrying charge or an established carrying charge: Use Carrying Charge **Worksheet C**. The form appears in Exhibit 8-5.
- d. For complexes that collect only an established carrying charge: To calculate the residents' carrying charge if the residents' Adjusted Gross Income increases to a level above 125% of the area median income. Use **Minimum Carrying Charge Worksheet D**. The form appears in Exhibit 8-6.
- e. For complexes that collect only an income based carrying charge: To calculate the residents' carrying charge if the residents' Adjusted Gross Income increases to a level above 125% of the area median income. Use **Minimum Carrying Charge Worksheet E**. The form appears in Exhibit 8-7.
- f. For complexes that collect the Greater of an income based carrying charge or an established carrying charge: To calculate the residents' carrying charge if the residents' Adjusted Gross Income increases to a level above 125% of the area median income. Use **Minimum Carrying Charge Worksheet F**. The form appears in Exhibit 8-8.

## **Section 5. Recertifications**

**8-12. Recertification Requirements.** The procedure to be followed for recertifications appears in Section 10 of Chapter 9.

**8-13. Which Owners Must Recertify on an Annual Basis.** Owners that collect an income based carrying charge, or the greater of an income based and an established carrying charge, must recertify on an annual basis.

**8-14. Which Owners Must Recertify on a Biennial Basis.** Owners that collect an established carrying charge must recertify on a biennial basis.

**8-15. Substitution of Terms Required** The terms “resident”, “carrying charge”, “established carrying charge”, and “maximum carrying charge” should be substituted for the terms “tenant”, “rent”, “base rent”, and “maximum rent” when implementing the recertification procedures contained in Chapter 9.

### **Section 6. Occupancy Requirements**

**8-16. Applicability of Occupancy Requirements.** All of the occupancy requirements contained in Chapter 9 apply to Mutual Housing complexes. Owners should substitute the terms “resident”, “carrying charge”, “established carrying charge”, and “maximum carrying charge” for the terms “tenant”, “rent”, “base rent”, and “maximum rent” when implementing these requirements.

**8-17. Refund of Memberships Fees.** In the event a resident member vacates his/her dwelling unit in a mutual housing association project, the resident member’s membership fee shall be refunded with interest of no more than ten percent (10%) compounded annually.

**CERTIFICATE OF APPROVAL INCOME LIMITS FOR ADMISSION TO A  
MUTUAL HOUSING ASSOCIATION**

The \_\_\_\_\_ has established and fixed, by an  
**(Agency/Authority/Owner)**  
appropriate Resolution of said the income limits for admission to Project No. \_\_\_\_\_ as  
follows:

**Admission Limits**

\$ _____	for 1 person
\$ _____	for 2 persons
\$ _____	for 3 persons
\$ _____	for 4 persons
\$ _____	for 5 persons
\$ _____	for 6 persons
\$ _____	for 7 persons
\$ _____	for 8 persons

**NOTARY SEAL:**

\_\_\_\_\_  
**Authorized Representative**

\_\_\_\_\_  
**Date**

This is to certify that the Commissioner or Deputy Commissioner has reviewed and herewith approves the  
income limits for tenant admission to Project No. \_\_\_\_\_ fixed by  
\_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer – Executive Director, CHFA

\_\_\_\_\_  
Date

**CERTIFICATE OF APPROVAL  
PERCENTAGE OF INCOME USED TO DETERMINE  
THE CARRYING CHARGE IN A MUTUAL HOUSING PROJECT**

The \_\_\_\_\_, has established and fixed, by an appropriate Resolution of said Mutual Housing Association, the percentage of income that will be used to determine the resident carrying charge in Project No. \_\_\_\_\_ as follows:

Project Name(s)	% of Income
_____	_____
_____	_____
_____	_____

NOTARY SEAL:

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

This is to certify that CHFA has reviewed and herewith approves the percentage of income established by the \_\_\_\_\_ for Mutual Housing Association Housing Project No. \_\_\_\_\_.

Recommended by:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Chief Executive Officer – Executive Director, CHFA

\_\_\_\_\_  
Date

**CARRYING CHARGE WORKSHEET A**  
**(For Complexes Using Only an Established Carrying Charge)**

Date: \_\_\_\_\_

Mutual \_\_\_\_\_ Housing \_\_\_\_\_ Project \_\_\_\_\_ Name: \_\_\_\_\_  
 \_\_\_\_\_ Resident Name(s): \_\_\_\_\_  
 \_\_\_\_\_ Unit Address: \_\_\_\_\_  
 \_\_\_\_\_ Unit \_\_\_\_\_ Size \_\_\_\_\_ (# \_\_\_\_\_ Bedrooms):  
 \_\_\_\_\_ BR

A. Family Income

	<u>Resident</u>	<u>Income</u>	<u>Resident</u>	<u>Income</u>
1.	_____	_____	2.	_____
3.	_____	_____	4.	_____
		_____		_____

**Total Income:** \$ \_\_\_\_\_

B. Allowable Deductions

1.	Total income of all dependents under 18	\$ _____	
2.	Foster Care proceeds or State DCF Adoption Program payments	\$ _____	
3.	Income of full-time students under 23	\$ _____	
4.	Total medical expenses	\$ _____	
	Less refunded medical expenses	- _____	
	Net medical expenses	\$ _____	
	Less 3% of Line A. Total	- _____	
	Allowable medical deduction	\$ _____	\$ _____
5.	Childcare costs - affording gainful employment	\$ _____	
6.	Child support payments or alimony	\$ _____	
7.	Number of dependents multiplied (x) by \$750	\$ _____	
C.	Total Deductions (Add Lines B. 1. thru 7.)		\$ _____
D.	Adjusted Gross Income (Line A minus Line C)		\$ _____
E.	Monthly Adjusted Gross Income (Line D divided by 12)		\$ _____
F.	Established Carrying Charge (From Management Plan)		\$ _____
G.	Income Limit for Admission		\$ _____
	<b>Note:</b> Applicants <b>cannot</b> be admitted if their adjusted gross income (Line D) exceeds the Admission Limit.		
H.	125% of Area Median Income		\$ _____

**Note:** Residents of MHA projects whose adjusted gross income (Line D) increases to a level above 125% of AMI must pay at least 25% of their monthly adjusted gross income (Line E) as a carrying charge. Complete Minimum Carrying Charge Worksheet A if Line D is greater than Line H.

**CARRYING CHARGE WORKSHEET B**  
**(For Complexes Using Only an Income Based Carrying Charge)**

Date: \_\_\_\_\_

Mutual \_\_\_\_\_ Housing \_\_\_\_\_ Project \_\_\_\_\_ Name: \_\_\_\_\_  
 \_\_\_\_\_ Resident Name(s): \_\_\_\_\_  
 \_\_\_\_\_ Unit Address: \_\_\_\_\_  
 \_\_\_\_\_ Unit \_\_\_\_\_ Size \_\_\_\_\_ (# \_\_\_\_\_ Bedrooms):  
 \_\_\_\_\_ BR \_\_\_\_\_

A. Family Income

	<u>Resident</u>	<u>Income</u>	<u>Resident</u>	<u>Income</u>
1.	_____	_____	2.	_____
3.	_____	_____	4.	_____
		_____		_____

**Total Income:** \$ \_\_\_\_\_

B. Allowable Deductions

1.	Total income of all dependents under 18	\$ _____	
2.	Foster Care proceeds or State DCF Adoption Program payments	\$ _____	
3.	Income of full-time students under 23	\$ _____	
4.	Total medical expenses	\$ _____	
	Less refunded medical expenses	- _____	
	Net medical expenses	\$ _____	
	Less 3% of Line A. Total	- _____	
	Allowable medical deduction	\$ _____	\$ _____
5.	Childcare costs - affording gainful employment	\$ _____	
6.	Child support payments or alimony	\$ _____	
7.	Number of dependents multiplied (x) by \$750	\$ _____	
C.	Total Deductions (Add Lines B. 1. thru 7.)		\$ _____
D.	Adjusted Gross Income (Line A minus Line C)		\$ _____
E.	Monthly Adjusted Gross Income (Line D divided by 12)		\$ _____
F.	Monthly Adjusted Gross Income multiplied by current approved %		\$ _____
G.	Utility Allowance		\$ _____
H.	Income Based Carrying Charge (Line F minus Line G)		\$ _____
I.	Income Limit for Admission		\$ _____

**Note:** Applicants **cannot** be admitted if their adjusted gross income (Line D) exceeds the Admission Limit.

J. 125% of Area Median Income (AMI) \$ \_\_\_\_\_

**Note:** Residents of MHA projects whose adjusted gross income (Line D) increases to a level above 125% of AMI must pay at least 25% of their monthly adjusted gross income (Line E) as a carrying charge. Complete Minimum Carrying Charge Worksheet B if Line

D is greater than Line J.

**CARRYING CHARGE WORKSHEET C**  
**(For Complexes Using Both an Income Based and Established Carrying Charge)**

Date: \_\_\_\_\_

Mutual \_\_\_\_\_ Housing \_\_\_\_\_ Project \_\_\_\_\_ Name: \_\_\_\_\_  
 \_\_\_\_\_ Resident Name(s): \_\_\_\_\_  
 \_\_\_\_\_ Unit Address: \_\_\_\_\_  
 \_\_\_\_\_ Unit \_\_\_\_\_ Size \_\_\_\_\_ (# \_\_\_\_\_ Bedrooms):  
 \_\_\_\_\_ BR

A.	Family Income			
	<u>Resident</u>	<u>Income</u>	<u>Resident</u>	<u>Income</u>
	1. _____	_____	2. _____	_____
	3. _____	_____	4. _____	_____
			<b>Total Income:</b>	\$ _____

B.	Allowable Deductions		
	1. Total income of all dependents under 18		\$ _____
	2. Foster Care proceeds or State DCF Adoption Program payments		\$ _____
	3. Income of full-time students under 23		\$ _____
	4. Total medical expenses	\$ _____	
	Less refunded medical expenses	- _____	
	Net medical expenses	\$ _____	
	Less 3% of Line A. Total	- _____	
	Allowable medical deduction	\$ _____	\$ _____
	5. Childcare costs - affording gainful employment	\$ _____	
	6. Child support payments or alimony	\$ _____	
	7. Number of dependents multiplied (x) by \$750	\$ _____	
C.	Total Deductions (Add Lines B. 1. thru 7.)		\$ _____
D.	Adjusted Gross Income (Line A minus Line C)		\$ _____
E.	Monthly Adjusted Gross Income (Line D divided by 12)		\$ _____
F.	Monthly Adjusted Gross Income multiplied by current approved %		\$ _____
G.	Utility Allowance		\$ _____
H.	Income Based Carrying Charge (Line F minus Line G)		\$ _____
I.	Established Carrying Charge (Commissioner approved Management Plan)		\$ _____
J.	Carrying Charge (greater of Line H or Line I)		\$ _____
K.	Income Limit for Admission		\$ _____

**Note:** Applicants **cannot** be admitted if their adjusted gross income (Line D) exceeds the Admission Limit.

L. 125% of Area Median Income (AMI) \$ \_\_\_\_\_

**Note:** Residents of MHA projects whose adjusted gross income (Line D) increases to a level above 125% of AMI must pay at least 25% of their monthly adjusted gross income (Line E) as a carrying charge. Complete Minimum Carrying Charge Worksheet C if Line D is greater than Line L.

**MINIMUM CARRYING CHARGE WORKSHEET D**  
**(For Complexes Using Only an Established Carrying Charge)**

NOTE: This Worksheet applies only to residents of mutual housing whose adjusted gross income exceeds 125% of the area median income.

Date: \_\_\_\_\_

Resident Name: \_\_\_\_\_

Resident Address: \_\_\_\_\_  
\_\_\_\_\_

- 1. Monthly Adjusted Gross Income (Line E of Exhibit 8-3) \$ \_\_\_\_\_
- 2. Monthly Adjusted Gross Income multiplied by 25% \$ \_\_\_\_\_
- 3. Minimum Carrying Charge (Line 2) \$ \_\_\_\_\_
- 4. Line F of Exhibit 8-3 \$ \_\_\_\_\_
- 5. Carrying Charge (greater of Line 3 or 4) \$ \_\_\_\_\_

**MINIMUM CARRYING CHARGE WORKSHEET E**  
**(For Complexes Using Only an Income Based Carrying Charge)**

NOTE: This Worksheet applies only to residents of mutual housing whose adjusted gross income exceeds 125% of the area median income.

Date: \_\_\_\_\_

Resident Name: \_\_\_\_\_

Resident Address: \_\_\_\_\_

\_\_\_\_\_

- |    |   |          |
|----|---|----------|
| 1. | Monthly Adjusted Gross Income (Line E of Exhibit 8-4) | \$ _____ |
| 2. | Monthly Adjusted Gross Income multiplied by 25%       | \$ _____ |
| 3. | Minimum Carrying Charge (Line 2)                      | \$ _____ |
| 4. | Line H of Exhibit 8-4                                 | \$ _____ |
| 5. | Carrying Charge (greater of Line 3 or 4)              | \$ _____ |

**MINIMUM CARRYING CHARGE WORKSHEET F  
(For Complexes Using Both an Income Based and An  
Established Carrying Charge)**

NOTE: This Worksheet applies only to residents of mutual housing whose adjusted gross income exceeds 125% of the area median income.

Date: \_\_\_\_\_

Resident Name: \_\_\_\_\_

Resident Address: \_\_\_\_\_  
\_\_\_\_\_

- 1. Monthly Adjusted Gross Income (Line E of Exhibit 8-5) \$ \_\_\_\_\_
- 2. Monthly Adjusted Gross Income multiplied by .25 (25%) \$ \_\_\_\_\_
- 3. Minimum Carrying Charge (Line 2) \$ \_\_\_\_\_
- 4. Line J of Exhibit 8-5 \$ \_\_\_\_\_
- 5. Carrying Charge (the greater of Line 3 or 4) \$ \_\_\_\_\_

## Chapter 9

### OCCUPANCY REQUIREMENTS FOR STATE FINANCED HOUSING

#### Section 1. Definition of Family Income

9-1. **Family Income includes**, but is not limited to:

- a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- b. The net income from operation of a business or profession. Neither depreciation nor expenditures for business expansion shall be used as deductions in determining net income. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.
- c. Interest, dividends and other net income of any kind from real or personal property. Depreciation shall not be used as a deduction in determining net income.
- d. A regular and periodic withdrawal of cash or assets from an investment will be included in income except to the extent the withdrawal is reimbursement of cash or assets invested by the family.
- e. The full amount of periodic payments received from social security, public assistance, annuities, insurance policies, pensions, individual retirement accounts, keogh accounts, disability or death benefits and other similar types of periodic receipts, including lottery winnings paid in periodic payments. **NOTE:** If the entity making the periodic payments is reducing the family's benefits to adjust for a prior overpayment, use the amount remaining after the adjustment as income. This reduction differs from a *garnishment*. Examples of garnishments are reductions to income for alimony, child support, or educational loan repayments. For garnishments, continue to count the gross income before the reductions.
- f. Alimony and child support payments received by a person living in the unit.
- g. Regular contributions or gifts received from persons not residing in the unit.
- h. All regular pay, special pay and allowances of a member of the Armed Forces.
- i. Interest, dividends, and other income from net family assets;' (including income distributed from trust funds.) On deeds of trust or mortgages, only the interest portion of the monthly payments received by the family is included.

9-2. **Exclusions from Family Income.** Family Income is the total, gross annual income received from all sources by the Family head and spouse and each additional person residing in the unit, including all net income derived from assets, but exclusive of the following:

- a. Lump sum additions to Family assets, such as inheritances, lottery winnings, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses.
- b. Income of an approved live-in aide. A "live-in aide" is a person who resides with an elderly, disabled, or handicapped person or persons and:
  1. is determined to be essential to the care and well being of the person;

2. is not obligated for the support of the person; and
3. would not be living in the unit except to provide the necessary supportive services
- c. Temporary, nonrecurring or sporadic income (including gifts)
- d. Food stamps
- e. Energy Assistance Payments
- f. Educational Scholarships
- g. Rental Assistance and/or Renter's Rebate
- h. Medicare flex card funds received through a Medicare Advantage (Part C) plan

## **Section 2. Income Verification**

**9-3. Income Verification Period.** The income verification period shall be the Calendar Year January 1 to December 31 of the preceding year. At the annual recertification, the authority or developer shall base rent levels on such family's average income throughout the preceding 12 months. During the subsequent 12-month period, the authority or developer may require an interim recertification due to increased earnings of 10% or more in accordance with an established and approved policy. However, if a family's income has decreased, nothing in this section shall preclude an interim recertification or recertification based on a reduced income level. Regarding a family who, since the last annual recertification, received any public assistance or state-administered general assistance and received earnings from employment, the owner shall not require any interim recertification due to an earnings increase. At the Annual Recertification, the owner shall base rent levels on such family's average income throughout the preceding 12 months.

**9-4. Acceptable Forms of Income Verification.**

- a. Owners must verify and document all income, expenses, assets, household characteristics and circumstances that affect eligibility or tenant rent.
- b. Owners must maintain documentation of all verification efforts for at least three (3) years after the effective date of the certification or recertification.
- c. The following forms of income verification are acceptable:
  1. **Employment Income:** (a) employment verification form completed by the employer; (b) check stubs or earning statements showing the employee's gross pay per pay period and frequency of pay and year-to-date earnings; (c) W-2 forms; (d) notarized statements, affidavits or income tax returns signed by the applicant describing self-employment and amount of income or income from tips and other gratuities; (For regulations on Self-employment see Sec. 79a-14, as applicable).
  2. **Social Security, Pensions, Supplemental Security Income (SSI), Disability Income:** (a) benefit verification form completed by agency providing the benefits; (b) award or benefit notification letters prepared and signed by the authorizing agency (since checks or bank deposit slips show only net amounts remaining after deducting Medicare, they may be used only when award letters can't be obtained). In this case, add back the amount of the Medicare premium to determine the gross amount of Social Security.
  3. **Public assistance:** Obtain the Public assistance agency's written statements as to type and amount of assistance family is receiving.

4. **Alimony or Child Support Payments:** (a) copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules; (b) a letter from the person paying the support; (c) copies of the last three support checks; (d) applicant's notarized statement or affidavit of amount received or that support payments are not being received and the likelihood of support payments being received in the future;
5. **Net Income From a Business:** The following documents show the net income derived from a business: (a) IRS Tax Return, Form 1040, including any, Schedule C (Small Business), Schedule E (Rental Property Income), Schedule F (Farm Income); (b) audited or unaudited financial statement(s) of the business; (c) loan application listing income derived from the business during the previous 12 months; (d) applicant's notarized statement or affidavit as to net income realized from the business during previous years.

(Note: Depreciation is not included in (a). It is not a business expense.)

- d. Recurring Gifts:
  1. Notarized statement or affidavit signed by the person providing the assistance. Must give the purpose, dates and value of gifts
  2. Applicant's notarized statement of affidavit that provides the information in the above paragraph.
- e. Savings and Investment Account Interest Income and Dividends:
  1. Account statements, passbooks, certificates of deposit, etc.;
  2. Broker's quarterly statements showing value of stocks or bonds and the earnings credited to the applicant;
  3. IRS Form 1099.
- f. Interest Income From Sale of Real Property Pursuant to a Purchase Money Mortgage, Installment Sales Contract or Similar Arrangement:
  1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest due for 12 months;
  2. Amortization schedule showing interest for 12 months.
- g. Rental Income from Property Owned by Applicant:
  1. IRS Form 1040 with Schedule E (Rental Income);
  2. Copies of latest rent checks, leases, or other records.
  3. Documentation of applicant's income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense).
  4. Lessee's written statement identifying monthly payments due the applicant and applicant's affidavit as to net income realized.

### **Section 3. Definition of Assets**

#### **9-5. Net Family Assets Include:**

- a. Cash held in savings and checking accounts, safety deposit boxes, homes, etc.

- b. Trusts. Include the principal value of any trust available to the household. (Do not include irrevocable trusts, i.e. ones that no family member can control);
- c. Equity in rental property or other capital investments. Include the current market value less: (1) any unpaid balance on any loans secured by the property; and (2) reasonable costs that would be incurred in selling the asset – penalties, broker fee, etc.
- d. Stocks, Bonds, Treasury Bills, Certificates of Deposit, Money Market Funds;
- e. Cryptocurrency or Digital Currency accounts;
- f. Individual Retirement and KEOGH Accounts are to be considered an asset even though withdrawal from these accounts result in a penalty, unless benefits are being received through periodic payments. Do not count occasional distributions or withdrawals from these accounts as income. Should regular and periodic withdrawals be made consistently from these accounts, such withdrawals are counted as income, these accounts would no longer be considered assets, and asset income would not be imputed.
- g. Retirement and Pension Funds, while a person is employed, include only amounts the family can withdraw without retiring or terminating employment. At retirement or termination of employment, if benefits will be received in a lump sum, include the benefits in Net Family Assets. If benefits will be received through periodic payments, include the benefits in annual income;
- h. Lump sum receipts: include inheritances, capital gains, one-time lottery winnings, settlements on insurance, and other claims;
- i. Personal property held as an investment: include gems, jewelry, coin collections, or antique cars held as an investment. (Wedding rings or other personal jewelry are not counted as assets.)

**9-6. Exclusions from Net Family Assets:**

- a. Necessary personal property (clothing, furniture, cars, etc.);
- b. Vehicles specially equipped for the handicapped;
- c. Life insurance policies;
- d. Equity in the cooperative unit in which the family lives;
- e. Assets that are part of an active business. A “business” does not include the rental of properties that are held as an investment and not as a main occupation;
- f. Assets that are not effectively owned by the applicant - i.e., when assets are held in an individual’s name but: (a) the assets and any income they earn accrue to the benefit of someone else; and (b) that other person is responsible for income taxes incurred on income generated by the assets. Example: Assets held pursuant to a power of attorney because one party is not competent to manage the assets or assets held in a joint account solely to facilitate access to assets in the event of an emergency;
- g. Assets that are not accessible to the applicant and provide no income to the applicant. Example: A battered spouse owns a house with her husband. Because of the domestic situation, she receives no income from the asset and cannot convert the asset to cash.

In computing assets, owners must use the cash value of the asset - the amount the family would receive if the asset were converted to cash. Cash value is the market value of the asset minus reasonable costs that would be incurred in selling or converting the asset to cash. Expenses which may be deducted include: (a) penalties for withdrawing funds

before maturity; (b) broker/legal fees assessed to sell or convert the asset to cash; (c) settlement costs for real estate transactions.

## **9-7. Calculating Income from Assets**

Annual income includes amounts derived from assets to which family members have access.

### **a. What is an Asset?**

1. Assets are items of value that may be turned into cash. A savings account (also known as a passbook) is a cash asset. The bank pays interest on the assets. The interest is the *income* from that asset.
2. Some tenants have assets that are not earning interest. A quantity of money under a mattress is an asset: it is a thing of value that could be used for the benefit of the tenant, but under the mattress it is not producing income.
3. Some belongings of value are not considered assets. Necessary personal property is not counted as an asset. (ex. Wedding ring)

### **b. Determining Income from Assets**

1. The calculation to determine the amount of income from assets to include in annual income considers both of the following:
  - a. The total cash value of the family's assets; and
  - b. The amount of income those assets are earning or could earn.
2. The rule for calculating income from assets differs depending on whether the total cash value of family assets is \$5,000 or less or is more than \$5,000.

### **c. Determining the Total Cash Value of Family Assets**

1. To comply with the rule for determining the amount of income from assets, it is necessary to first determine whether the total "cash value" of family assets exceeds \$5,000.
  - a. The "cash value" of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash, such as the following:
    - (1) Penalties for premature withdrawal;

- (2) Broker and legal fees; and
- (3) Settlement costs for real estate transactions.

The cash value is the amount the family could actually receive in cash if the family converted an asset to cash.

### **Example – Calculating the Cash Value of an Asset**

A family has a certificate of deposit (CD) in the amount of \$5,000 paying interest at 4%. The penalty for early withdrawal is three months of interest.

$$\$5,000 \times 0.04 = \$200 \text{ in annual income}$$

$$\$200/12 \text{ months} = \$16.67 \text{ interest per month}$$

$$\$16.67 \times 3 \text{ months} = \$50.01$$

$$\$5,000 - \$50 = \$4,950 \text{ cash value of CD}$$

- b. It is essential to note that a family is not required to convert an asset to cash. Determining the cash value of the asset is done simply as a calculation by the owner because it is a required step when determining income from assets under program requirements.
- d. **Assets Owned Jointly**
1. If assets are owned by more than one person, prorate the assets according to the percentage of ownership. If no percentage is specified or provided by a state or local law, prorate the assets evenly among all owners.
  2. If an asset is not effectively owned by an individual, do not count it as an asset. An asset is not effectively owned when the asset is held in an individual's name, but (a) the asset and any income it earns accrue to the benefit of someone else who is not a member of the family, and (b) that other person is responsible for income taxes incurred on income generated by the assets.
  3. Determining which individuals have ownership of an asset requires collecting as much information as is available and making the best judgment possible based on that information.

### **Examples – Jointly Owned Assets**

- Helen Wright is an assisted-housing tenant. She and her daughter, Elsie Duncan, have a joint savings account. Mother and daughter both contribute to the account. They have used the account for trips together and to cover emergency needs for either of them. Assume in this example that state law does not specify ownership. Even though either Helen Wright or Elsie Duncan could withdraw the entire asset for her own use, count Helen's ownership as 50% of the account.
- Jean Boucher's name is on her mother's savings account to ensure that she can access the funds for her mother's care. The account is not effectively owned by Jean and should not be counted as her asset.

### Example – Determining the Cash Value of an Asset

The “cash value” of an asset is the amount a family would receive if the family turned a noncash asset into cash.

The cash value is the market value—or the amount another person would pay to acquire the asset—less the cost to turn the asset into cash.

If a family owns real estate, it may be necessary to consider the family’s equity in the property as well as the expense to sell the property.

To determine the family’s equity, subtract amounts owed on the property from its market value:

Market value  
- Mortgage amount owed  
Equity in the property

Calculate the cash value by subtracting the expense of selling the property:

Equity  
- Expense of selling  
Cash Value

Juanita Player owns a rental house. The market value is \$100,000. She owes \$60,000. The cost to dispose of this house would be \$8,000. The owner would determine the cash value as follows:

Market Value	\$100,000
Mortgage amount	- <u>\$60,000</u>
	40,000

Cost of disposing of the asset (real estate commission, and other costs of sale)	- <u>\$8,000</u>
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<b>Cash Value</b>	<b>\$32,000</b>
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- a. In some instances, but not all, knowing whose social security number relates to the asset may help in identifying ownership. Owners should be aware that there are many situations in which a social security number connected with an asset does not indicate ownership and other situations where there is ownership without connection to a social security number.
- b. Determining who has contributed to an asset or who is paying taxes on the asset may assist in identifying ownership.

e. **Calculating Income from Assets When Assets Total \$5,000 or Less**

If the total cash value of all the family's assets is \$5,000 or less, the actual income the family receives from assets is the amount that is included in annual income as income from assets.

**Example – Use Actual Income from Assets When Total Net Family Assets are \$5,000 or Less**

Type of Asset	Cash Value	Actual Yearly Income
<i>Certificate of Deposit</i> \$1,000 withdrawal fee \$50 interest @ 4%	\$950	\$40
<i>Savings Account</i> \$500 interest @ 2.5%	\$500	\$13
<i>Stock</i> \$300 Not paying dividends	\$300	\$0
<b>Total</b>	<b>\$1,750</b>	<b>\$53</b>

The total cash value of the family's assets is \$1,750. Therefore, the amount that is added to annual income as income from assets is the actual income earned or \$53.

f. **Calculating Income from Assets When Assets Exceed \$5,000**

1. When net family assets are more than \$5,000, annual income includes the greater of the following:
  - a. Actual income from assets; or
  - b. A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called

*imputed* income from assets. The passbook rate can be found in this link: <https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>

2. To begin this calculation, first add the cash value of all assets. Multiply the total cash value of all assets by the passbook rate. The product is the “imputed income” from assets. Then, add the actual income from all assets. The greater of the imputed income from assets or the actual income from assets is included in the calculation of annual income.

### Example – Imputed Income from Assets

“Imputed” means “attributed” or “assigned.” Imputing income from assets is “assigning” an amount of income solely for the sake of the annual income calculation. The imputed income is not real income.

For example, money under a mattress is not earning income. If the money were put in a savings account, it would earn interest. Imputed income from such an asset is the interest the money would earn if it were put in a savings account.

A family with cash under a mattress is not required to put the cash in a savings account; but when the owner is calculating income for a family with more than \$5,000 in assets, the owner must assign an amount that cash would earn if it were in a savings account.

### Example – Determining Income from Assets When Net Family Assets Exceed \$5,000

Type of Asset	Cash Value	Actual Yearly Income
<i>Checking Account</i> (noninterest bearing)	\$455	\$0
<i>Savings Account</i> (interest at 2.5%)	\$6,000	\$150
<i>Stocks</i> (not paying dividends this year)	\$3,000	\$0
<b>Total</b>	<b>\$9,455</b>	<b>\$150</b>

The total cash value of assets is greater than \$5,000. Therefore, it is necessary to compare the actual income from assets to the imputed income from assets.

The total cash value of assets (\$9,455) is multiplied by the passbook rate to determine the imputed income

from assets.

Passbook rate x \$9,455 = \$6

The \$150 is greater than the imputed income from assets (\$6).

In this case, therefore, the owner will add \$150 to the annual income calculation as income from assets.

**g. Calculating Income from Assets - Specific Types of Assets**

**1. Trusts.**

**a. Explanation of trusts.**

- (1) A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries). A trust can contain cash or other liquid assets or real or personal property that could be turned into cash. Generally, the assets are invested for the benefit of the beneficiaries.
- (2) Trusts may be revocable or nonrevocable. A revocable trust is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account. When the creator sets up a nonrevocable trust, the creator has no access to the funds in the account.
- (3) The beneficiary frequently will be unable to touch any of the trust funds until a specified date or event (e.g., the beneficiary's 21st birthday or the grantor's death). In some instances, the beneficiary may receive the regular investment income from the trust but not be able to withdraw any of the principal.
- (4) The beneficiary and the grantor may be members of the same family. A parent or grandparent may have placed funds in trust to a child. If the trust is revocable, the funds may be accessible to the parent or grandparent but not to the child.

b. How to treat trusts.

- (1) The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account.
- (1) Revocable trusts. If any member of the tenant family has the right to withdraw the funds from the account, the trust is considered to be an asset and is treated as any other asset. The cash value of the trust (the amount the family member would receive if he or she withdrew all that could be withdrawn) is added to total net assets. The actual income received is added to actual income from assets.

**Example – A Trust Accessible to Family Members**

Assez Charaf lives alone. He has placed \$20,000 in trust to his grandson to be available to the grandson upon the death of Assez. The trust is revocable, that is, Assez has control of the principal and interest in the account and can amend the trust or remove the funds at any time. In calculating Assez's income, the owner will add the \$20,000 to Assez's net family assets and the actual income received on the trust to actual income from assets.

- (3) Nonrevocable trusts. If no family member has access to either the principal or income of the trust at the current time, the trust is not included in the calculation of income from assets or in annual income. If only the income (and none of the principal) from the trust is currently available to a family member, the income is counted in annual income, but the trust is not included in the calculation of income from assets.
- (4) Nonrevocable trust as an asset disposed of for less than fair market value. If a tenant sets up a nonrevocable trust for the benefit of another person while residing in assisted housing, the trust is considered an asset disposed of for less than fair market value.
  - If the trust has been set up so income from the trust is regularly reinvested in the trust and is not paid back to the creator, the trust is calculated as any other asset disposed of for less than fair market value for two years and not taken into consideration thereafter.

**Example – Nonrevocable Trust as an Asset Disposed of for Less Than Fair Market Value**

Sarah Gordy placed \$100,000 in a nonrevocable trust for her grandson. Last year, the trust produced \$8,000, which was reinvested into the trust.

The trust is treated as an asset disposed of for less than fair market value for two years. No actual income from the trust is included in Sarah's annual income, but the value of the asset when it was given away, \$100,000, is included in net family assets for two years from the date the trust was established.

- Nonrevocable trust distributing income. When a tenant places an asset in a nonrevocable trust but continues to receive income from the trust, the income is added to annual income *and* the trust is counted as an asset disposed of for less than market value for two years. Following the two-year period, the owner will count only the actual income distributed from the trust to the tenant.

**Example – Nonrevocable Trust Distributing Income to the Creator/Tenant**

*Reggie Bouchard has established a nonrevocable trust in the amount of \$35,000 that no one in the tenant family controls. Income from the trust is paid to Reggie. Last year, he received \$3,500.*

The owner will count Reggie's actual anticipated income from the trust in next year's annual income.

Because the asset was disposed of for less than fair market value, the value of the asset given away, \$35,000, is counted as an asset disposed of for less than fair market value for two years.

- (5) Payment of principal from a trust. The beneficiary of a trust may receive funds from the trust in different ways. A beneficiary may receive the full value of a trust at one time. In that instance the funds would be considered a lump sum receipt and would be treated as an asset. A trust set up to provide support for a person with disabilities may pay only income from the trust on a periodic basis. Occasionally, however, a beneficiary may be given a portion of the trust principle on a periodic basis. When the principal is paid out

on a periodic basis, those payments are considered regular income or gifts and are counted in annual income.

**Example – Payment of Principal Amounts from a Trust**

Jared Leland receives funds from a nonrevocable trust established by his parents for his support. Last year he received \$18,000 from the trust. The attorney managing the trust reported that \$3,500 of the funds distributed were interest income and \$14,500 was from principal. Jared receives a payment of \$1,500 each month (an amount that includes both principal and interest from the trust).

The owner will count the entire \$18,000 Jared received as annual income.

c. Special needs trusts.

*A special needs trust is a trust that may be created under some state laws, often by family members for disabled persons who are not able to make financial decisions for themselves. Generally, the assets within the trust are not accessible to the beneficiary.*

- (1) If the beneficiary does not have access to income from the trust, then it is not counted as part of income.
- (2) If income from the trust is paid to the beneficiary regularly, those payments are counted as income.

**Example – Special Needs Trust**

Daryl Rockland is a 55-year-old person with disabilities, living with his elderly parents. The parents have established a special-needs trust to provide income for their son after they are gone. The trust is not revocable; neither the parents nor the son currently have access to the principal or interest. In calculating the income of the Rocklands, the owner will disregard the trust.

2. Annuities.

a. Annuity facts and terms.

- (1) An annuity is a contract sold by an insurance company designed to provide payments, usually to a retired person, at specified intervals. Fixed annuities guarantee a certain payment amount, while variable annuities do not, but have the potential for greater returns.

- A hybrid annuity (also called a combination annuity) combines the features of a fixed annuity and a variable annuity.
  - A deferred annuity is an annuity that delays income payments until the holder chooses to receive them. An immediate annuity is one that begins payments immediately upon purchase.
  - A life annuity continues to pay out if the owner is alive. A single-life annuity provides income benefits for only one person. A joint life annuity is issued to two individuals, and payments continue in whole or in part as long as either individual is alive.
- (2) Generally, a person who holds an annuity from which he or she is not yet receiving payments will also be earning income. In most instances, a fixed annuity will be earning interest at a specified fixed rate like interest earned by a CD. A variable annuity will earn (or lose) based on market fluctuations, as in a mutual fund.
  - (3) Most annuities charge surrender or withdrawal fees. In addition, early withdrawal usually results in tax penalties.
  - (4) Depending on the type of annuity and the current status of the annuity, the owner will need to ask different questions of the verification source, which will normally be the applicant or tenant's insurance broker.

b. Income after the holder begins receiving payments.

- (1) When verifying an annuity, owners should ask the verification source whether the holder of the annuity has the right to withdraw the balance of the annuity. For annuities without this right, the annuity is not treated as an asset.
- (2) Generally, when the holder has begun receiving annuity payments, the holder can no longer convert it to a lump sum of cash.
  - In this situation, the holder will receive regular payments from the annuity that will be treated as regular income, and no calculations of income from assets will be made.

- However, the amount that the holder invested in the annuity will not be counted as income. The amounts a family has invested in an asset).

### **Example – Income from an Annuity**

Christina Cross receives \$200 a month from an annuity. The owner has asked the insurance company to verify the total amount Christina paid and the total amount she has received in payments to date. The verification documents show that she paid \$40,000 for the annuity over the years while she was working, and she has received a total of \$4,800 in payments since she retired. The owner will not count the annuity payments as income until Christina has received \$40,000 from the insurance company.

#### c. Calculations when an annuity is considered an asset.

- (1) When an applicant or tenant has the option of withdrawing the balance in an annuity, the annuity will be treated like any other asset. If total net assets exceed \$5,000, it will be necessary to determine the cash value of the annuity in addition to determining the actual income earned.
- (2) In most instances, an annuity from which payments have not yet been made is earning income on the balance in the annuity. A fixed annuity will earn income at a fixed rate in the same manner that a CD earns income. A variable annuity will earn (or lose) based on current market conditions, as with a mutual fund.
- (3) The owner will need to verify with the insurance agent or other appropriate source:
  - The holder's right to withdraw the balance (even if penalties are involved).
  - The basis on which the annuity may be expected to grow during the coming year.
  - The surrender or early withdrawal penalty fee.

- The tax rate and the tax penalty that would apply if the family withdrew the annuity.
- (4) The cash value will be the full value of the annuity, less the surrender (or withdrawal) penalty, and less any taxes and tax penalties that would be due.
- (5) The actual income is the balance in the annuity times the percentage (either fixed or variable) at which the annuity is expected to grow over the coming year. (This money will be reinvested into the annuity, but it is still considered actual income.)
- (6) The imputed income from the asset is calculated only after the cash value of all family assets has been determined. Imputed income from assets is calculated on the total cash value of all family assets.

### Example – Calculating the Cash Value of an Annuity

#### EXAMPLE – Calculating the Cash Value of an Annuity

Rodrigo Ramirez, site manager at Fernwood Forrest, has interviewed Barbara Barstow, an applicant who reports holding an annuity from which she will not receive payments for another 15 years when she turns 65. The applicant could not provide any more detail on the annuity but did report the name, address, and phone number of her insurance agent.

Rodrigo called the insurance agent and faxed a copy of the applicant's approval for release of information. As a result, Rodrigo learned that the annuity is a fixed annuity, with a current value of \$20,400 earning interest at an annual rate of 4.5%. The applicant could withdraw the current balance in the account but would pay a surrender penalty of \$3,000. If the annuity is withdrawn, then the applicant will owe \$1,200 in tax penalties.

In this example, the important information for calculating cash value is the current value, \$20,400; the surrender fee, \$3,000; and the tax penalties, \$1,200. If the applicant withdrew the cash from the annuity, after paying the surrender fee and tax penalty, then the amount of cash received would be \$16,200.

The cash value, \$16,200, is recorded as an asset.

Rodrigo will also calculate the actual anticipated income on this asset:  $\$20,400 \times .045 = \$918$ .

3. Lump sum receipts counted as assets.

a. Commonly, when a family receives a large amount of money, a lump sum payment, the family will put the money in a checking or savings account or will purchase stocks or bonds or a CD. Owners must count lump sum payments received by a tenant as assets. Examples of lump sum payments include the following:

- (1) Inheritances;
- (2) Capital gains;
- (3) Lottery winnings paid in one payment;
- (4) Cash from the sale of assets;
- (5) Insurance settlements (including health and accident insurance, workers compensation, and personal and property losses); and
- (6) Any other amounts that are received in one-time lump sum payments.

b. A lump sum payment is counted as an asset only as long as the family continues to possess it. If the family uses the money for something that is not an asset—a car or a vacation or education—the lump sum must not be counted.

**Examples – Lump Sum Additions to  
Family Assets (One-Time Payment)**

• JoAnne Wettig won \$500 in the lottery and received it in one payment. Do not count the \$500 as income. At JoAnne’s next annual recertification, she will report all her assets.

4. Balances held in retirement accounts.

a. Balances held in retirement accounts are counted as assets if the money is accessible to the family member. For individuals still employed, accessible amounts are counted even if withdrawal

would result in a penalty. However, amounts that would be accessible only if the person retired are not counted.

- b. IRA, Keogh, and similar retirement savings accounts are counted as assets, even though withdrawal would result in a penalty. Do not count an occasional distribution or withdrawal from these accounts as income. Should regular and periodic withdrawals be made consistently from these accounts then these accounts should no longer be considered assets and income should not be imputed.
- c. Include contributions to company retirement/pension funds:
  - (1) While an individual is employed, count only amounts the family can withdraw without retiring or terminating employment.
  - (2) After retiring or terminating employment, count as an asset any amount the employee elects to receive as a lump sum.
- d. Include in *annual income* any retirement benefits received through periodic payments.

**Examples – Balances Held in an IRA or 401K Retirement Account**

- Jed Dozier’s 401K account balance is \$35,000. He can terminate his participation in the retirement plan without quitting his job, but if he did so he would lose a part of his employer’s contribution and would pay a penalty fee. The total cash he could withdraw, \$18,000, is the amount that is counted as an asset.
- Stephen King is retired. Each month he withdraws \$1,000 from his IRA account. The balance in his IRA account is \$200,000. The balance in his IRA at the end of the year, including interest earned, will be \$194,000. That is the amount that should be counted as an asset. (The \$1,000 withdrawn each month is not counted as income because Stephen has verified that the funds in his IRA are funds, he invested.)

- 5. Mortgage or deed of trust.
  - a. Occasionally, when an individual sells a piece of real estate, the seller may loan money to the purchaser through a mortgage or deed of trust. This may be referred to as a “contract sale.”

b. A mortgage or deed of trust held by a family member is included as an asset. Payments on this type of asset are often received as one combined payment which includes interest and principal. The value of the asset is determined by calculating the unpaid principal at the end of the 12-month period following certification. Each year this balance will decline as more principal is paid off. The interest portion of the payment is counted as actual income from an asset.

6. Assets disposed of for less than fair market value. Applicants and tenants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received.

a. Any asset that is disposed of for less than its full value is counted, including cash gifts as well as property. To determine the amount that has been given away, owners must compare the cash value of the asset to any amount received in compensation.

b. However, the rule applies only when the fair market value of all assets given away during the past two years exceeds the gross amount received by more than \$1,000.

**Examples – Assets of More or Less Than \$1,000 Disposed  
of for Less Than Fair Market Value**

• During the past two years, Alexis Turner donated \$300 to the local food bank, \$150 to a camp program, and \$200 to her church. The total amount she disposed of for less than fair market value is \$650. Since the total is less than \$1,000, the donations are not treated as assets disposed of for less than fair market value.

• Jackson Jones gave each of his three children \$500. Because the total exceeds \$1,000, the gifts are treated as assets disposed of for less than fair market value.

c. When the two-year period expires, the income assigned to the disposed asset also expires. If the two-year period ends in the middle of a recertification year, then the tenant may request an interim recertification to remove the disposed asset(s).

### Example – Asset Disposed of for Less Than Fair Market Value

Margot Lundberg’s recertification will be effective January 1. On that date, it will be 18 months since she sold her house to her daughter for \$60,000 less than its value. The owner will count income on the \$60,000 for only six months. (After six months, the two-year limit on assets disposed of for less than fair market value will have expired.)

- d. Assets disposed of for less than fair market value because of foreclosure, bankruptcy, divorce, or separation are *not* counted.
- e. Assets placed in nonrevocable trusts are considered as assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgements.
- f. Applicants and tenants must sign a self-verification form at their initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or certifying that no assets have been disposed of for less than fair market value.
- g. Owners need to verify the tenant self-certification only if the information does not appear to agree with other information reported by the tenant/applicant.

### Examples – Asset Disposed of for Less Than Market Value

- (1) An applicant “sold” her home to her daughter for \$10,000. The home was valued at \$89,000 and had no loans secured against it. Broker fees and settlement costs are estimated at \$1,800.

\$89,000	Market value
<u>- 1,800</u>	Fees
\$87,200	Cash value
<u>- 10,000</u>	Sales price to daughter
\$77,200	Asset disposed of for less than fair market value

In this example, the asset disposed of for less than fair market value is \$77,200. That amount is counted as the resident’s asset for two years from the date the sale took place.

(The \$10,000 received from the daughter may currently be in a savings account or other asset or may have been spent. The \$10,000 will be counted as an asset if the applicant has not spent the money.)

- (2) A resident contributed \$10,000 to her grandson's college tuition and gave her two granddaughters \$4,000 each to save for college.

\$10,000      College tuition gift

+ 8,000      Gift to granddaughters

\$18,000      Asset disposed of for less than fair market value

The \$18,000 disposed of for less than fair market value is counted as the tenant's asset for two years from the date each asset was given away.

- (3) A resident cashed in a \$20,000 Certificate of Deposit (CD) and gives her two children \$10,000 (total) as a gift.

\$10,000      Gift to children is the amount of the asset disposed of for less than fair market value

The \$10,000 disposed of for less than fair market value is counted as the tenant's asset for two years from the date the asset was given away.

If the children purchased a car with the \$10,000 gift, would it still count as the tenant's asset for two years? Yes, it would still count as the resident still gave it away for less than market value.

#### Section 4. Asset Verification

**9-8. Asset Verification Period.** The asset verification period shall be the Calendar Year January 1 to December 31 of the preceding year.

**9-9. Acceptable forms of Asset Verification.** The following documentation of assets is acceptable:

- a. Verification forms, letters, or documents from a financial institution, broker, etc.;
- b. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker;
- c. Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate;
- d. Real Estate tax statements if tax authority uses approximate market value;
- e. Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the borrower;

- f. Appraisals of personal property held as an investment;
- g. Applicant's notarized statements or signed affidavits describing assets or verifying cash held at the applicant's home or in safe deposit boxes;

**NOTE:** If the assets are owned by more than one person, prorate the assets according to their percentage of ownership. If no percentage is specified or provided by State or local law, prorate the assets evenly among all owners. [IRS Form 1040 Schedule A, B, and E]

## **Section 5. Definition of Deductions for Elderly and Non-Elderly State Financed Housing**

**Note:** *Deductions for Elderly and Congregate Housing.* *The deductions for Elderly Housing are limited to those listed below in paragraphs 9-10.e. and 9-10.h. See Chapter 5 for the deductions that apply to Congregate Housing.*

**9-10. Deductions Include.** The following items must be included in the determination of Family Income. Deductions from income vary by individual housing program. The program calculation sheets provided in each chapter will provide guidance on applicable allowances to determine the households Adjusted Gross Income:

- a. Earned Income from employment of dependents (including foster children) under 18 years of age.  
Note: If unearned income such as social security or child support is being received on behalf of a child under age 18 it is included as income.
- b. Payments received for the care of foster children.
- c. Payments received under the State Department of Children and Family (DCF) adoption program.
- d. Income from employment of full-time students under 23 years of age. A full-time student is a person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.
- e. Annual medical expenses not covered by insurance exceed 3% of the Family Income. Medical expenses include: (See HUD Handbook 4350.3 for more information.)
  - Out-of-pocket costs already paid for and not just billed – within a one-year period (previous calendar year); (Note: require third party verification form, completed, and signed by a Doctor, Dentist, Homeopathic Doctor, Physical Therapist, or other licensed medical provider.).
  - Services of physicians, other health care professionals, and co-pays;
  - Services of health care facilities;
  - Medical insurance premiums (including Medicare premiums); Note: Compare W-2 to paystubs to determine medical insurance; this may be combined in one total on W-2 including accident insurance and disability insurance, which are not deductible.

- Prescription drugs and medicines; transportation to/from treatment, using IRS guidelines;  
[https://www.irs.gov/publications/p502#en\\_US\\_2021\\_publink1000179085](https://www.irs.gov/publications/p502#en_US_2021_publink1000179085)
  - Non-prescription drugs and medicine (Note: require third party verification form, completed, and signed by a Doctor, Dentist, Homeopathic Doctor, Physical Therapist, or other licensed medical provider certifying that the drugs and/or medicine are medically necessary to treat/assist with a medically diagnosed disability or illness.)
  - Medical care of permanently institutionalized family member if his/her income is included in the family income;
  - Dental expenses;
  - Eyeglasses;
  - Hearing aids, batteries;
  - Attendant care or periodic medical care;
  - Payments on accumulated medical bills – only count the portion paid during the recent 12-month period;
  - Cost of and upkeep for an assistive animal;
  - If tenant pays for electric usage and has an oxygen machine the increased utility bills caused by the use of said machine;
  - Conn-Pace application cost;
  - Lifeline device;
  - Personal use items only if they used primarily to prevent or alleviate a physical or mental disability or illness;
  - Long-term care premiums (not pro-rated) as described in HUD 4350.3 Chapter 5 Section 5-10D8k.
  - Medical marijuana for patients diagnosed by a Connecticut-licensed physician as having a debilitating [medical condition](#) that is specifically identified in state law;
- f. Handicap Assistance: Attendant Care and Auxiliary Apparatus expenses for a handicapped or disabled individual that are,
1. necessary to enable a family member (including the handicapped or disabled member) to be employed;
  2. **not** paid or reimbursed by an outside source such as insurance, Medicare, or grants by a state agency or charitable organization; and
  3. **not** paid to a family member living in the household.

Auxiliary apparatus includes, but is not limited to: wheelchairs, reading devices for the visually handicapped, the cost for the purchase, training and upkeep of an assistance animal, and equipment added to cars and vans to permit their use by the handicapped or disabled family member. **For example**, include payments on a specially-equipped van to the extent they exceed the payments that would be required on a car purchased for transportation of a non-handicapped person. ***If the apparatus is not used exclusively by the handicapped person, the owner must prorate the total cost and allow a specific amount for handicap assistance.*** If the individual or organization providing attendant care for the handicapped member also provides other services to the family, the owner must prorate the total cost and allow a specific amount for attendant care. The allocation must be reasonable in terms of the hours

- and type of care (e.g., specialized medical vs companionship) provided. **NOTE:** The allowance for handicap assistance expenses is limited to the employment income the adult member(s) will earn because handicap assistance is available.
- g. Annual childcare expenses for children 12 and under, but only if:
    - 1. such care will enable a family member to work or further his/her education (academic or vocation).
    - 2. no adult household member capable of providing childcare IS available during the hours the care is needed;
    - 3. the amount deducted is reasonable for the hours and type of care provided;
    - 4. the amount is not paid to a person living in the unit;
    - 5. the amount is not paid or reimbursed by an agency or individual outside the household (ex. Care for Kids);
    - 6. the child care expenses claimed as a deduction do not exceed the employment income derived because the care is available.
  - h. Alimony and child support payments paid by a person residing in the unit as ordered by the courts;
  - i. \$750 per dependent (other than Elderly and Congregate programs) . “Dependent” means a member of a family, except a wife living with her husband, whom one or more of the remaining members are legally or morally obligated to support and over one-half of whose support is being furnished by such remaining members. (Sec. 8-45-1)
  - j. Ten percent (10%) deduction for Moderate Rental Housing only. This deduction is calculated as follows: {Family Income minus (-) Applicable Deductions} x .10 = Ten Percent Deduction. This deduction applies only to Moderate Rental Housing.

## **Section 6. Deductions Verification**

- 9-11. Deductions Verification Period.** The deductions verification period shall be the Calendar Year January 1 to December 31 of the preceding year.
- 9-12. Acceptable Forms of Deductions Verification**
- a. Child Care Expenses:
    - 1. Written verification from the person who receives the payments;
    - 2. Verifications must specify the hours and days during which the care is provided, the names of the children cared for, and the frequency and amount of compensation received. (Owners should recognize that child care costs may be higher during summer and holiday recesses);
    - 3. Applicant’s certification as to whether any of those payments have been or will be reimbursed by outside sources.
  - b. Medical Expenses:
    - 1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, etc., of: (a) the medical costs incurred by the applicant and of regular payments on medical bills; and (b) extent to which those expenses were/will be reimbursed by insurance or a government agency;

2. The insurance company's or employee's written confirmation of health insurance premiums paid by the applicant;
3. Social Security Administration's written confirmation of medicare premiums paid by the applicant;
4. For attendant care: (a) Doctor's certification that the assistance of an attendant is medically necessary; (b) Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family (or copies of cancelled checks the family used to make those payments); (c) Applicant's certification as to whether any of those payments have been or will be reimbursed by outside sources;
5. Receipts, cancelled checks, pay stubs that indicate health insurance premium costs, or other documents that verify medical and insurance expenses.
6. Copies of payment agreements with medical facilities or canceled checks that verify payments made on outstanding medical bills.

**9-13. Miscellaneous Deduction Verification**

- a. Full-Time Student Status:
  1. Written verification from the registrar's office or appropriate school official;
  2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the school.
- b. Handicap Assistance:
  1. Attendant Care:
    - a. Attendant's written certification as to: Amount received from the applicant/tenant; frequency of receipt, hours of care provided; and/or copies of canceled checks that applicant/tenant used to make those payments.
    - b. Certifications required by #3 below.
  2. Auxiliary Apparatus:
    - a. Receipts for purchases of, or evidence of monthly payments for, auxiliary apparatus.
    - b. In the case where the handicapped person is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.
  3. In All Cases:
    - a. Written certification from a doctor or a rehabilitation agency that the handicapped person requires the services of an attendant or the use of auxiliary apparatus to permit the handicapped person to be employed or to function sufficiently independently to enable another family member to be employed.
    - b. Family's written certification as to whether they receive reimbursement for any of the expenses in paragraph 1 and 2 above and the amount of any reimbursement received.

A sample release form, "Record of Third-Party Verification" form and calculation worksheet for medical expenses appear in Exhibits 9-1, 9-2, and 9-3.

## Section 7. Occupancy Standards

**9-14. Determining Unit Size at Move-In.** Owners must balance the need to avoid overcrowding with the need to make the best use of available space. Occupancy standards for the property should be aligned with local ordinances regarding occupancy limitations, if available.

- a. **Household members.** To determine how many bedrooms a family may have, owners may count:
1. all full-time members of the household,
  2. children who are away at school but live with the family during school recesses,
  3. children who are subject to a joint custody agreement but live in the unit at least 50% of the time,
  4. an unborn child,
  5. live-in attendants.

**NOTE:** Owners may not provide bedroom space for individuals who are not members of the household such as adult children on active military duty, permanently institutionalized family members, incarcerated individuals, or visitors. Owners are strongly encouraged to develop and implement a guest/visitor policy.

### **9-15. Verifications.**

- a. Medical Need for Larger Dwelling Unit: A reliable medical source must certify that such arrangements are medically necessary.
- b. Family Type and Membership in Family:
1. For elderly households—age may be verified with: (a) copy of a birth certificate, baptismal certificate, census record, official record of birth or other authoritative document; or (b) receipt of SSI Old Age benefits or Social Security retirement benefits.
  2. For disabled head or spouse—disability may be verified with: (a) evidence of receipt of Supplemental Security Income for the disabled, handicapped, or blind; (b) Social Security disability benefits; or (c) certification from any Federal agency or board (e.g., the Veteran’s Administration) that the head or spouse is totally disabled. (CGS Sec. 8-113a(m))
  3. For family membership of persons younger than age 18 -- birth certificate, adoption papers and/or custody agreements.

### **9-16. Overcrowded or Underutilized Units.**

- a. After move-in, if the unit becomes overcrowded or underutilized because of changes in household composition, the owner should require the family to move to an appropriate size unit when one becomes available.
- b. In deciding whether the tenant should be required to move, the owner should consider the following:
1. Is there an appropriately sized unit in the project?
  2. Is there a market for the size of unit the tenant would be vacating? If the tenant is occupying a unit that is larger than needed and there is no demand

- for that larger unit, the owner need not require the tenant to move from the larger unit until there is a demand for that size of unit.
3. How long will the tenant remain in the project? Had he/she given an indication of moving out of the project? If the tenant will be moving within a few months, the owner need not require the tenant to transfer.
  4. The financial impact on the tenant.
- c. If the owner requests the tenant to transfer, the tenant must be given the option of:
1. Remaining in the unit and paying the higher of base rent for that unit or the approved percentage of their adjusted gross income, or
  2. Moving within 30 days after the owner notifies him/her that a unit of the required size is available within the complex.

## **Section 8. The Annual Certification Process**

**9-17. Required Procedures.** The following procedures should be utilized for annual certifications. Owners should also review the annual certification guidelines contained in the Program Chapters to determine if there are additional procedures that apply to their particular complexes.

### Regulation

#### **Sec. 8-79a-16. Continued occupancy, income verification**

- a. In the case of federally assisted projects, federal rules will apply.
- b. Period covered for verification of income: For determining eligibility for continued occupancy, the annual income verification period shall be the calendar year January 1 to December 31.
- c. Full calendar year occupancy must be completed and duly signed by each lessee who has been in continuous occupancy during the full calendar year covered.
- d. Form of application: The application for continued occupancy shall be substantially in the form prescribed by the commissioner of housing and shall have imprinted thereon the following:
  1. Penalty for false statement of any person who makes a false statement concerning the income of the family for which application for admission to or continued occupancy of housing projects is made may be fined not more than five hundred dollars or imprisoned not more than six months or both. (Chapter 128, section 8-72 of the Connecticut General Statutes).
  2. The following language shall be contained in an application for continued occupancy: "The statements made by me in this application for continued occupancy are true to the best of my knowledge, for the purpose of verifying income at the time of signing this application. I have no objection to inquiries by the developer concerning my qualification for the purpose of income verification only. I agree to notify the developer immediately of any change in the statements or information required."

NOTE: The following section applies to the Moderate Rental and Affordable Programs Only. It references “over-income” tenants. All other programs skip to paragraph 9-18.

- e. Application to tenants: Immediately after December 31 each local authority and developer shall send applications for continued occupancy to all tenants in occupancy for one full calendar year. These applications are to be completed by the tenants and returned to the local authority on or before February 15. Upon completion of the applications of tenants for continued occupancy each developer shall prepare a report to be electronically submitted to your CHFA Asset Manager on or before March 1. The report must include tenant name, household size, net family income, maximum allowable income, and the excess amount. The owner shall also include a copy of the tenant’s application for continued occupancy and rent calculation worksheet. Any tenant who, without just cause, fails to report shall be considered over-income. This list shall be based on reports submitted by the tenants. Verification of such reports is a continuing responsibility of each developer.
- f. Notification to over-income tenants. (Section 8-73 of the Connecticut General Statutes, as amended.) Eviction of families having income over maximum limits, waiver of eviction requirement: A tenant in a moderate rental housing project shall vacate the dwelling unit occupied by him not later than sixty days after the housing authority or developer has mailed to such tenant, properly addressed postage prepaid, written notice that the annual income of such tenant's family, determined under section 8-72, of the Connecticut General Statutes is in excess of that permitted for continued occupancy of such dwelling unit under said section. Upon the failure of such tenant to vacate such dwelling unit on or before the expiration of such sixty-day period and so long as such tenant continues to occupy such dwelling unit after the expiration thereof, such tenant shall be obligated, notwithstanding the provisions of section 8-72 of the Connecticut General Statutes to pay to the developer monthly, as rent for such dwelling unit an amount equal to the going rental therefore as fixed by the developer plus an amount equal to two percent of the excess of the annual income of such family over that permitted for continued occupancy of such dwelling unit under section 8-72 of the Connecticut General Statutes.

The written notice specified in Section 8-73 of the Connecticut General Statutes (eviction of families having income over maximum limits) shall be sent on or before March 1. If such notice is not delivered by this date, the Department of Housing should be informed and advised of the reasons. This notice shall specifically state that the lease expires on April 30 and any holdover tenancy shall be subject to surcharges as required in section 8-73. The sixty-day period specified thereunder shall be the period March 1 to April 30 inclusive. A sample copy of the official notification shall be sent to the Department of Housing.

- g. Legal procedure for eviction: Legal proceedings for eviction may be instituted by the developer against all over-income tenants after the expiration of the sixty-day notice (April 30) unless the time period has been extended due to extenuating circumstances

such as, the head of the family is called into military service, or the tenant is in the process of purchasing or building a home, and other justifiable reasons.

- h. Any over-income tenant may reapply for continued occupancy within the period of the sixty-day notice to vacate. Such reapplication must be filed on or before April 15.

If the reverification based on income for the first three months of the current year on or before April 15 indicates that the tenant is still over-income but for a lesser amount than for the previous calendar year, then the new income figure arrived at a projected basis shall be the basis for determination of the surcharge effective May 1. If the projected rate upon reverification exceeds the income for the previous calendar year the lower income shall be used to establish the surcharge amount except those under eviction proceeding for non-compliance.

All over-income tenants subject to a surcharge on May 1 and who continue in occupancy thereafter shall file an application for continued occupancy as of June 30 covering family income for the first six months of the current year. Such a reapplication must be filed on or before July 15. The sanctions which may be imposed for failing to meet the April 30 deadline are applicable for failing to meet the July 15 deadline. Such income shall be projected to an annual base and reclassification made as follows:

1. Tenants whose projected annual income is within the applicable maximum income limits for continued occupancy shall be declared eligible for continued occupancy without further imposition to surcharges effective August 1.
2. Tenants whose projected annual income exceeds the applicable maximum income limits but whose projected income is less than annual income reported for the prior year shall be eligible for a reduction in the monthly surcharge based on the projected income. Such a reduction shall be effective August 1.
3. Tenants whose projected annual income exceeds the applicable maximum limits but whose projected income is greater than the annual income reported for the prior year shall be subject to an increase in the monthly surcharge effective August 1. No advance notice of rent adjustment is necessary as the tenant is occupying the premises on a use and occupancy basis and, therefore, not subject to any time limit notice as may be prescribed in the lease.

All over-income tenants subject to a surcharge on August 1 may file a reverification of income for the first 9 months projected income if such projected income produces a lower surcharge. The lower surcharge will be levied on November 1.

- i. Emergencies:
  1. In the event of the death or total disability of any tenant resulting in the complete loss of the earning power of a tenant whose account is being surcharged or in the case of a sudden unavoidable loss of employment or income due to no fault of the wage earner.

The local authority or developer may, subject to the approval of the Department of Housing, immediately cancel or appropriately reduce the surcharge amount.

2. For tenants who are seasonally employed or are employed in a second job for a portion of the year, such as construction workers, teachers, agricultural workers, municipal employees, etc., and in their annual income verification are over-income for the preceding two years, but who on the reverification are under the maximum income limits, their income shall be based on the average income for the preceding two-year period.

**9-18. Certification Notices.**

- a. **Initial Certification Notice.** Immediately after December 31 of each year, the owner must mail a “Request for Certification Notice” to each tenant in the complex. The notice must specify the place, date and time for the certification interview and must advise the tenant to supply any documents in his/her possession that can be used to verify the amount of his/her income and/or deductions.
- b. **Follow-up Certification Notice.** If the tenant fails to report for the certification interview, the owner should immediately mail the tenant a follow-up notice. The follow-up notice should reschedule the certification interview and state that any additional failure to comply with the certification requirements will result in the Authority starting the eviction process and a calculating rent at 125% of the HUD published Fair Market Rent (FMR).
- c. **Final Certification Notice.** A tenant who fails to respond to the follow-up notice will be mailed a final notice informing him that his/her noncompliance with the certification requirements will now become grounds for eviction and notify them of the newly calculated rent. [Sec 8-79a-16]

**NOTE:** If the tenant reports after the scheduled interview, and in the event that it is determined that, based on verified income data, the tenant’s rental should have been an amount which exceeds the amount actually paid by the tenant, the tenant shall be charged the higher rental retroactive to the date said rental was due. In the event that it is determined that the amount paid by the tenant exceeds the amount which should have been paid, in accordance with Sec. 8-79a-17 no refund or credit shall be made to the tenant, due to the fact that the housing authority has had to spend considerable effort to enforce the income re-verification regulations. Extenuating circumstances may be considered when determining whether refunds or credits shall be made.

**9-19. Certification Interview.** The owner must review the “Certification of Income and Family Participation” and carefully question the tenant to identify all of the household’s income sources and deductions. The owner must then verify all income, expenses, household characteristics and circumstances that affect the tenants’ rent and/or eligibility for continued occupancy. Note: A review of the previous year “certification” will help to identify sources of income/assets/deductions and can help you to ask pertinent questions in reviewing current information.

**9-20. Completing the Certification Process.** [Sec 8-79a-15]

- a. Owners of Moderate Rental and Affordable Housing complexes should aim to complete the certification process by March 1. This will enable the owners to send a sixty (60) day notice of surcharge to all over-income tenants on or before March 1. Owners of all other complexes should aim to complete the certification process by April 1. This will enable the owners to send a thirty (30) day notice of rent increase to the tenants on or before April 1. Adhering to these schedules will permit the owner to implement all rent increases on May 1.
- b. Owners of complexes charging the greater of a base rent or a “percentage of income” may want to schedule a change in the base rent and/or “percentage of income” so that it coincides with the annual certification process. Doing so will prevent the owner from having to increase some rents twice during a single year, once during the annual certification process, and then again when the base rent and/or the “percentage of income” is raised in conjunction with the submission of a new management plan (i.e., a new operating budget).

**9-21. Effective Date of Changes in Tenant Rent.**

- a. Increase in Tenant’s Rent. If the owner or a third party causes a delay in the recertification processing, any increase in the tenant’s share of the rent may only be implemented after the owner has given the tenant thirty (30) days advance written notice of the increase. If the tenant causes a recertification to be completed after the effective date, any resulting increase in the tenant’s share of the rent must be retroactive to the scheduled effective date of the recertification.
- b. Decrease in the Tenant’s Rent. If the owner or a third party causes a delay in recertification processing, any decrease in the tenants share of the rent must be retroactive to the scheduled effective date of the recertification. If the tenant causes a recertification to be completed after the scheduled effective date, the effective date of the decrease **will be the** first day of the month commencing after the date that the tenant reports for his/her recertification interview.

A schedule, sample notices, and the “Application for Continued Occupancy” needed to implement the above procedures appear in Exhibits 9-4 through 9-8. Owners should modify the terminology used in these Exhibits to match the terminology used for their programs (e.g., Owners of Limited Equity Cooperative complexes should substitute the terms “established carrying charge” and “carrying charge” for the terms “base rent” and “tenant rent”).

**Section 9. Interim Adjustments of Tenant Rent Due to Increases or Decreases in Income**

**9-22. Owner Responsibility for Processing Interim Adjustments.** The Owner:

- a. May process an interim adjustment based on an established and approved policy for an increase in adjusted gross income of at least 10%;

- b. Must process an interim adjustment for a decrease in adjusted gross income of 10%;
- c. Must process an interim adjustment for a change in household composition;
- d. Must process an interim adjustment for an increase in deductions (number of dependents, child care expenses, etc.).

**Note:** With regard to a family who, since the last annual recertification, received any public assistance or state-administered general assistance and received earnings from employment, the owner shall not require any interim recertification due to an earnings increase. At the Annual Recertification, the owner shall base rent levels on such family's average income throughout the preceding 12 months.

**9-23. Effective Date Of Interim Adjustments.** The Owner must notify the Tenant of any change in rent resulting from an interim adjustment. In the case of unit transfers, the change in rent is effective on the day on which the Tenant actually occupies the new unit. Rent increases and decreases should be implemented according to the following schedule.

- a. Rent Increase. If the Tenant's rent increases because of an interim adjustment, the Owner must give the Tenant 30 days advance written notice of the increase. The effective date of the increase will be the first of the month commencing after the end of the 30 day period.
- b. Rent Decrease. If the Tenant's rent decreases because of an interim adjustment, the Owner must make the decrease effective the first day of the month commencing after the date that the Tenant reports the decrease. The Owner does not have to give the Tenant 30 days notice of a rent decrease.

## **Section 10. Procedure for Increases in the Base Rent and/or the Percentage of Income Used to Determine the Rent**

**9-24. 90 Days Procedure for Increases in the Base Rent and/or Percentage of Income.** The following 90 days procedure must be adhered to whenever the owner proposes to increase the base rent and/or the percentage of income used to determine the Tenant Rent. The owner's failure to adhere to this procedure will invalidate the rent increase. Prior to implementing a change in the base rent and/or the percentage of income, the owner must:

- a. **90 Days Prior to Rent Increase**
  - 1. Send a notice to all tenants (copied to your CHFA Asset Manager informing them that a change in the base rent and/or the percentage of income will be considered by the Owner during a formal meeting (include the date and time of meeting). This notice must be sent to all tenants, at least 30 days prior to the scheduled meeting. (Note: it is not sufficient to post a notice in the community room or any other area.) This notice must advise tenants that they can attend the meeting or submit written comments within the thirty (30) day notice period. The tenants should also be advised that they can review any documents supporting the proposed change in the base rent and/or percentage of income.

- b. **60 Days Prior to Rent Increase:**
  - 1. At the end of the thirty (30) day notice period, the meeting is held to discuss the proposed increase. After the meeting is held and within the next (15) days, owners must submit to your CHFA Asset Manager any tenant comments, minutes of the meeting and a Board resolution recommending the new rental rates in the proposed Management Plan (operating budget.)
  - 2. The CHFA will approve, disapprove, or modify the proposed change in the base rent and/or percentage of income via the review and approval process for the management plan and will notify the Owner of its decision within that second fifteen (15) day period.
  
- c. **30 Days Prior to Rent Increase**
  - 1. If the change in the base rent and/or percentage of income is approved by your CHFA Asset Manager, the Owner must send all tenants a thirty (30) day notice of the rent increase that will result from the change. This notice must be received by the tenants 30 days prior to the implementation date of the new rent/percentage of income. The final approval of rent increases and/or percentage increases is done via approval of the owner's management plan. Without the approved operating budget, the increase cannot be implemented.

## Section 11. Security Deposits

**9-25. Applicable Statutes.** The collection, use and return of security deposits are subject to the provisions of Sections 47a-21 through 47a-22a of the Connecticut General Statutes.

**9-26. Collection of Security Deposits.**

- a. **Amount:** The amount of the security deposit is limited by statute to two months' rent for tenants under sixty-two years of age, and one month's rent for tenants sixty-two years of age or older. The amount of the security deposit is established at move-in and is not changed when the tenant's rent changes.
  
- b. **Elderly and Congregate Housing Projects:** Security deposits for tenants in Elderly and Congregate Housing projects that are developed by housing authorities, community housing development corporations, or other corporations approved by the Commissioner of Housing for state financial assistance under the provisions of Parts VI and VII of Chapter 128 shall return any security deposit with interest, to any tenant or former tenant at the time the tenancy is terminated in accordance with the provisions of section 47a-21.
  
- c. The housing authority, housing development corporation or other corporations shall permit the payment of a security deposit in installments that are reasonable considering the income of the tenant. Such a written agreement shall include the schedule of installment payments and a determination of the tenant's ability to pay under such a schedule. Such installments shall be payable in equal amounts at approximately equal intervals not exceeding one month over a period of at least twelve months. Interest

payable pursuant to section 47a-21 shall not begin to accrue until the security deposit, including all installments due if applicable, has been paid in full. Nothing in this section shall preclude any such housing authority or corporation from waiving the payment of the security deposit or agreeing to extend the installment payments over a period of more than twelve months.

- d. **Elderly Housing Projects Subsidized by the Section 8 New Construction and Substantial Rehabilitation Programs:** The collection of a security deposit is a prerequisite for making a claim to HUD for reimbursement of unpaid rent and tenant damages. Owners must collect (and then return with interest at the end of one year) the security deposit required by HUD regulations in order to be eligible for reimbursement of unpaid rent and tenant damages.
- e. **Unit Transfers:** When a family transfers to a new unit, the owner may:
  1. Transfer the security deposit; or
    - a. Close out the deposit for the old unit and charge a new deposit.
      - (1) To close out the old deposit, the owner must deduct tenant damages, unpaid rent and other charges owed under the lease and refund the balance to the tenant.
      - (2) The new deposit must be based on the rent that will be required for the new unit.

**9-27. Escrow Deposit:** Owners must deposit the entire amount of all security deposits into one or more escrow accounts in a financial institution. The escrow account(s) established for this purpose is subject to the provisions of Section 47a-21 (h), CGS.

**9-28. Interest on Security Deposits:** The rate of interest to be paid is published annually by the State Banking Commission and found here: <https://portal.ct.gov/DOB/Rental-Security-Deposits/Rental-Security-Deposits/Deposit-Index-and-Interest-Rates>

Interest must be paid to the tenant or credited toward the next rental payment due from the tenant on the anniversary date of the tenancy and annually thereafter. Paying interest only upon move-out does not meet the requirements of Section 47a-21, CGS.

- a. If the tenancy is terminated before the anniversary date of such tenancy, or if the owner returns all or part of a security deposit prior to termination of tenancy, the owner must pay the accrued interest to the tenant within thirty days of the termination or return.
- b. If the tenant has been delinquent for more than ten days in the payment of any monthly rent, he/she shall forfeit any interest which would otherwise be payable to him/her for that month. However, a tenant will not forfeit interest for that month if you charge a late fee.

**9-29. Return of Security Deposits.**

- a. The tenant must notify the owner in writing of his/her forwarding address upon termination of tenancy. Within twenty-one days after termination of tenancy, or within fifteen days of notification of forwarding address, **whichever is later**, the owner must deliver to the tenant at such forwarding address either (1) the full amount of the security deposit plus any accrued interest, or (2) a written notice advising the tenant of the nature

of any damages suffered by the owner by reason of the tenant's failure to comply with his/her obligations.

- b. Owners may deduct delinquent rent, other charges owed under the lease, and the cost of cleaning, repairs, and replacements due to tenant neglect or abuse, from the security deposit.
- c. If there are deductions, the balance of the security deposit and accrued interest must be returned to the tenant with a written statement itemizing the nature and amount of the damages within sixty days of the termination of tenancy, or fifteen days after the owner receives written notice of the tenant's forwarding address, whichever is later.

## **Section 12. Tenant Fraud**

**9-30. General Requirements** If a Tenant fails to supply required reports of interim changes in income or other factors, or submits incorrect information on any application, certification or recertification and, as a result, is charged a rent less than the amount required by the CHFA's rent formulas, the Tenant must reimburse the Owner for the full amount of the difference between the rent the Tenant should have paid and the rent he/she was charged.

**9-31. Recertifying Improper/Inaccurate Information for Certification and Recertification of Tenant Rent**. When the Owner becomes aware that a Tenant may have provided improper or inaccurate information during the processing of a Tenant's certification or recertification, the Owner shall do the following:

- a. The Owner must investigate and document the Tenant's statements or any conflicting information the Owner has received. To investigate questionable information, the Owner may:
  - 1. Confront the Tenant with the Tenant's information and any conflicting information;
  - 2. Obtain additional information from other persons or agencies; or
  - 3. Take other actions to verify either the Tenant's information or the conflicting information.

**For Example:** A Tenant may state that he/she does not receive child support payments. The Tenant's ex-spouse or the child's father may then be contacted by the Owner and asked to supply copies of canceled checks and/or receipts for monthly child support.

- b. If the efforts outlined in paragraph A above led the Owner to conclude that the Tenant supplied incorrect information, the Owner must document his/her findings in writing. The Tenant must then be notified in writing of the error, identifying what information is believed to be incorrect. In addition, the Tenant must be provided with an opportunity, within 10 calendar days, to meet with the owner and discuss the allegations.
- c. If the Tenant responds and convinces the Owner that his/her submissions were correct, the Owner should document the record accordingly. If the Owner determines that the Tenant is wrong, the Owner should adjust the Tenant's rent to reflect any corrected income, allowances, and family composition and require the Tenant to make arrangements to pay the amounts that were previously underpaid because of the Tenant's submission of incorrect information.

The meeting with the Owner shall be with a designated representative of the owner who has not been involved in any manner with the review of the allegedly false information.

**9-32. Lease Provisions Required.** Owners must develop lease provisions that permit the termination of the Tenant's lease if the Tenant deliberately supplies false information. The lease should also specify that the Tenant must report the following changes:

- a. A household member moves out of the unit;
- b. An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment;
- c. The household's income cumulatively increases by 10% or more a month.

**AUTHORIZATION for Release of Information**

**CONSENT**

I authorize and direct and Federal, State, or local agency, organization, business, or individual to release and to verify my application for participation, and/or to maintain my continued assistance under the Section 8, Rental Rehabilitation, Low-Income Public and Indian Housing and/or any other housing assistance programs. I understand and agree that this authorization or the information obtained with its use may be given to and used by the Connecticut Housing Finance Authority (CHFA) in administering and enforcing program rules and policies. I also consent for the CHFA or the PHA to release information from my file about my rental history to the CHFA, credit bureaus, collection agencies, or future landlords. This includes records on my payment history, and any violations of my lease or the PHA policies.

**INFORMATION COVERED**

I understand that, depending on program policies and requirements, previous or current information regarding me or my household may be needed. Verifications and inquiries that may be requested include but are not limited to:

- |                                 |                               |
|---------------------------------|-------------------------------|
| Identity and Marital Status     | Employment, Income and Assets |
| Medical or Childcare Allowances | Credit and Criminal Activity  |
| Residences and Rental Activity  |                               |

**GROUP OR INDIVIDUAL THAT MAY BE ASKED**

The groups or individuals that may be asked to release the above information (depending on program requirements) include but are not limited to:

- |   |   |
|---|---|
| Previous Landlords (including<br>Public Housing Agencies  | Past and Present Employers<br>Public assistance Agencies  |
| Courts and Public Offices<br>Schools and Colleges<br>Law Enforcement Agencies<br>Medical and Childcare Providers<br>Retirement Systems<br>Utility Companies | State Unemployment Agencies<br>U.S. Social Security Administration<br>Support and Alimony Providers<br>U.S. Department of Veterans Affairs<br>Banks and Other Financial Institutions<br>Credit Providers and Credit Bureaus |

**COMPUTER MATCHING NOTICE AND CONSENT**

I understand and agree that the CHFA or the Public Housing Authority may conduct computer matching programs to verify the information supplied for my application or recertification. If a computer match is done, I understand that I have a right to notification of any adverse information found and a chance to disprove correct information. The CHFA or the PHA may in the course of its duties exchange such automated information with other Federal, State, or local agencies, including but not limited to: State Employment Security Agencies, U.S. Department of Defense, U.S. Office of Personnel Management, the U.S. Postal Service, the U.S. Social Security Administration, and State Welfare and food stamp agencies.

CONDITIONS

I agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization will remain on file with the PHA. I understand I have a right to review my file and correct any information that I can prove is incorrect.

SIGNATURES:

_____	_____	_____
Head of Household	(Print Name)	(Date)
_____	_____	_____
Spouse	(Print Name)	(Date)
_____	_____	_____
Adult Member	(Print Name)	(Date)
_____	_____	_____
Adult Member	(Print Name)	(Date)

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

K-32  
Revised 3/97

**Record of Third-Party Verification**

**Re:** \_\_\_\_\_  
**Applicant/Tenant**

**Date Received:** \_\_\_\_\_

Documents Viewed: \_\_\_\_\_  
\_\_\_\_\_

Or Persons Contacted: \_\_\_\_\_  
\_\_\_\_\_

Representing: \_\_\_\_\_  
\_\_\_\_\_

Items Verified: \_\_\_\_\_  
\_\_\_\_\_

Information Supplied: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Owner Representative

\_\_\_\_\_  
Date

K-33  
Revised 3/97

**Calculation Worksheet to Determine a  
Tenant's Un-reimbursed Medical Expenses**

<b>Type of Paid Medical Expense</b>	<b>Total Expense (A)</b>	<b>Medicare (B)</b>	<b>Other Insurance (C)</b>	<b>Amount by Tenant A – (B+C)</b>

Date: \_\_\_\_\_

**REQUEST FOR CERTIFICATION NOTICE**

**(Owner Name)**  
**(Owner Address)**

**Date:** \_\_\_\_\_

(Tenant's Name)  
(Address)

Dear \_\_\_\_\_:

In accordance with state statutes and your lease, the (Owner Name) is required to periodically review your income, expenses, and family composition to re-determine your rent, continued occupancy for housing and appropriate unit size.

To complete this review, we would like to meet with you at \_\_\_\_\_ on  
*(place of interview)*  
\_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_.  
*(day) (date) (time)*

Please complete the enclosed **Application for Continued Occupancy** and bring it, along with supporting documents, to your interview.

Please call us immediately at **(telephone number)** if you cannot be interviewed at the above date and time. Failure to comply with the certification process could result in you paying an increased rent and the beginning of your eviction from state financed housing.

**Sincerely,**

(Owner Representative)

**REQUEST FOR CERTIFICATION FOLLOW-UP NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date: \_\_\_\_\_

(Tenant's Name)  
(Address)

Dear \_\_\_\_\_:

In previous correspondence, dated \_\_\_\_\_, you were scheduled for a certification interview. You did not report for the certification interview on ( **day** ), ( **date** ) at ( **time** ). You were asked to call us immediately if you could not attend the interview but failed to do so. We have rescheduled the interview for ( **day** ), ( **date** ) at ( **time** ).

Please complete the enclosed "Application for Continued Occupancy" and bring it along with supporting documents to your interview.

Please call us immediately at (telephone number) if you cannot attend the interview at the above date and time. Failure to comply with certification requirements will result in your rent being increased to the **maximum rent** (125% of the FMR) and may also result in your eviction from state financed housing. Your every effort to attend the interview will be greatly appreciated.

Sincerely,

(Owner Representative)

**REQUEST FOR CERTIFICATION FINAL NOTICE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date: \_\_\_\_\_

(Tenant's Name)  
(Address)

Dear \_\_\_\_\_:

Procedures governing the annual certification process in State financed housing provide that an owner will charge maximum rent to any tenant who fails to provide the information needed to verify his income and/or deductions. These procedures also provide that the owner may bring eviction proceedings against a tenant who fails to provide the required verification information within a designated time period.

Two appointments have been scheduled, both of which you did not attend. On (date of follow-up notice) you were asked to call us immediately if you could not attend the second certification interview scheduled on ( day ), ( date ) at ( time ). Because you failed to recertify, effective (date) your rent will increase to \$ \_\_\_\_\_(125% of the FMR of \$ \_\_\_\_\_) and we will begin eviction proceedings.

Sincerely,

(Owner Representative)

**SCHEDULE FOR ANNUAL RECERTIFICATIONS  
WITH PROPOSED BASE RENT INCREASES**

120 days prior to rent increase, the owner shall mail an “Application for Continued occupancy” to each tenant in the complex. The owner should also initiate the annual recertification process at this time. The information collected during the recertification process will be needed to verify and compute each tenant’s eligibility for continued occupancy. The CHFA must be notified at this time of the proposed rent increase and the date of the tenant meeting.

**120 Days Prior to Rent Increase**

1. Send a notice to all tenants (copied to the CHFA) informing them that a change in the base rent and/or the percentage of income will be considered by the Owner during a formal meeting (include the date and time of meeting). This notice must be sent to all tenants, at least 30 days prior to the scheduled meeting. (Note: it is not sufficient to post a notice in the community room or any other area.) This notice must advise tenants that they can attend the meeting or submit written comments within the thirty (30) day notice period. The tenants should also be advised that they can review any documents supporting the proposed change in the base rent and/or percentage of income.

**90 Days Prior to Rent Increase:**

1. At the end of the thirty (30) day notice period, the meeting is held to discuss the proposed increase. After the meeting is held and within the next (15) days, owners must submit to the CHFA any tenant comments, minutes of the meeting and a Board resolution recommending the new rental rates in the proposed Management Plan (operating budget.)
2. The CHFA will approve, disapprove, or modify the proposed change in the base rent and/or percentage of income via the review and approval process for the management plan and will notify the Owner of its decision within thirty (30) days.

**30 Days Prior to Rent Increase**

1. If the change in the base rent and/or percentage of income is approved by the CHFA, the Owner must send all tenants a thirty (30) day notice of the rent increase that will result from the change. This notice must be received by the tenants 30 days prior to the implementation date of the new rent/percentage of income. The final approval of rent increases and/or percentage increases is done via approval of the owner’s management plan. Without the approved operating budget, the increase cannot be implemented.

**APPLICATION FOR CONTINUED OCCUPANCY**

\_\_\_\_\_ Annual Recertification    \_\_\_\_\_ Interim Recertification    \_\_\_\_\_ Change in Household  
**(Check one)**

THIS FORM MUST BE COMPLETED. YOU MUST USE THE CORRECT LEGAL NAME FOR EACH MEMBER OF YOUR HOUSEHOLD AS IT APPEARS ON THEIR SOCIAL SECURITY CARD. ALL ADULT MEMBERS OF THE HOUSEHOLD MUST SIGN ON PAGE 2 CERTIFYING THE INFORMATION PERTAINING TO THEM. PLEASE PRINT.

A. HOUSEHOLD COMPOSITION: List all persons who will be living in your home, listing the head of the household first.

ADULTS (Legal name)	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SOCIAL SECURITY NUMBER	PLACE OF BIRTH
1.				
2.				
3.				
4.				

CHILDREN (name as it appears on SS Card)	DATE OF BIRTH	RELATIONSHIP TO HEAD OF HOUSEHOLD	SOCIAL SECURITY NUMBER	PLACE OF BIRTH	SCHOOL NAME
1.					
2.					
3.					
4.					
5.					

**B. WHO TO CONTACT IN CASE OF EMERGENCY:**

NAME	NAME
STREET ADDRESS	STREET ADDRESS
CITY	CITY
RELATION	RELATION
TELEPHONE NUMBER	TELEPHONE NUMBER

**C. TOTAL HOUSEHOLD INCOME:** List all money earned or received by everyone living in your household. This includes money from wages, self-employment, child support, contributions, Social Security, disability payments (SSI), Workers Compensation, retirement benefits, AFDC, Veterans benefits, rental property income, stock dividends, income from bank accounts, alimony, and all other sources.

HOUSEHOLD MEMBER	EMPLOYER	TOTAL WEEKLY WAGES	AFDC	CHILD SUPPORT MONTHLY	SOCIAL SECURITY BENEFITS	UNEMPLOYMENT BENEFITS	ALL OTHER INCOME
1.							
2.							
3.							
4.							

**D. ASSETS:** Do you or any household member own or have an interest in any real estate, boat, and/or mobile home? \_\_\_\_\_

Have you sold any real estate in the last two years? \_\_\_\_\_

Do you own any stocks or bonds? \_\_\_\_\_ Do you have savings accounts? \_\_\_\_\_

If yes, provide the bank name, account numbers, and amounts below.

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ # \_\_\_\_\_ \$ \_\_\_\_\_

Do you own a car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

Do you own a second car? \_\_\_\_\_ Model/Year \_\_\_\_\_ Plate No. \_\_\_\_\_

Has anyone in your household disposed of assets over \$1000 for less than market value during the past two years? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please explain (include type of asset, date disposed, value) \_\_\_\_\_

1. Does anyone outside of your household pay for any of your bills or give you money? Yes/ No \_\_\_\_\_ If yes, please explain: \_\_\_\_\_

The statements made by me in this application for continued occupancy are true to the best of my knowledge, for the purpose of verifying income at the time of signing this application. I have no objection to inquiries by the Developer concerning my qualification for the purpose of income verification only. I agree to notify the Developer immediately of any change in the statements or information required. (Regulation Sec. 8-79a-16(d)(2))

ANY PERSON WHO MAKES A FALSE STATEMENT CONCERNING THE INCOME OF THE FAMILY FOR WHICH APPLICATION FOR ADMISSION TO OR CONTINUED OCCUPANCY OF HOUSING PROJECTS IS MADE MAY BE FINED NOT MORE THAN FIVE HUNDRED DOLLARS OR IMPRISONED NOT MORE THAN SIX MONTHS OR BOTH. (Statute Sec. 8-72) (Regulation Sec. 8-79a-16(d)(1))

\_\_\_\_\_  
SIGNATURE OF HEAD OF HOUSEHOLD DATE

\_\_\_\_\_  
SIGNATURE OF SPOUSE DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

\_\_\_\_\_  
SIGNATURE OF OTHER ADULT DATE

E. AUTHORIZATION for Release of Information

CONSENT

I authorize and direct any Federal, State, or Local Agency, organization, business or individual to release to the Housing Authority of the \_\_\_\_\_ any information or materials needed to complete and verify my application for participation, and/or to maintain my continued occupancy under the Authority’s various housing programs. I understand and agree that this authorization or the information obtained with its use may be given to and used by the Connecticut Housing Finance Authority (CHFA) and the \_\_\_\_\_ in administering and enforcing program rules and public housing policies.

I also consent for the \_\_\_\_\_ to release information from my file about my rental history to the CHFA, credit bureaus, collection agencies, or future landlords. This includes records on my payment history, and any violations of my lease or \_\_\_\_\_ policies.

INFORMATION COVERED

I understand that, depending on program policies and requirements, previous or current information regarding me or my household may be needed. Verifications and inquiries that may be requested include but are not limited to:

- |                                |                                 |
|--------------------------------|---------------------------------|
| Identity and Marital Status    | Employment, Income, and Assets  |
| Residences and Rental Activity | Medical Allowances or Childcare |
| Criminal Activity              | Credits                         |

I understand that this authorization cannot be used to obtain any information about me that is not pertinent to my eligibility for and continued participation in a housing program.

I understand that this release may be used to allow any gas, electric, water or sewer utility company to release information about the status of my service and account information. In particular, to notify the Authority if service is about to be terminated.

GROUPS OR INDIVIDUALS THAT MAY BE ASKED

The groups or individuals that may be asked to release the above information (depending on program requirements) include but are not limited to:

Previous Landlords (including Public Housing Agencies)	Past and Present Employers
Courts and Post Offices	Public assistance Agencies
Schools and Colleges	State Unemployment Agencies
Law Enforcement Agencies	Social Security Administration
Support and Alimony Providers	Medical and Childcare Providers
Retirement Systems	Veterans Administration
Credit Providers/Bureaus	Banks and other Financial Inst.
	Utility Companies

CONDITIONS

I agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization is on file with the \_\_\_\_\_ and will stay in effect for a year and a month from the date signed. I understand I have a right to review my file and correct any information that I can prove is incorrect.

SIGNATURES

---

Head of Household (Print Name) Date

---

Spouse (Print Name) Date

---

Adult Member (Print Name) Date

---

Adult Member (Print Name) Date

NOTE: THIS GENERAL CONSENT MAY **NOT** BE USED TO REQUEST A COPY OF A TAX RETURN FROM THE INTERNAL REVENUE SERVICE OR THE DEPARTMENT OF REVENUE SERVICES

**NOTICE OF PROPOSED BASE RENT INCREASE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date: \_\_\_\_\_

(Tenant Name)

(Tenant Address)

Dear \_\_\_\_\_:

We are currently contemplating a rent increase for the complex you live in. The increase, if approved by the Chief Executive Officer-Executive Director of the CHFA, would raise the base rent in the project from (current rent) to (proposed rent). (See note below)

A meeting will be held at (place) on (day), (date) at (time) to discuss the proposed increase. All tenants currently residing in the complex are welcome to attend. We will also consider any written tenant comments submitted by (date).

All documents and data supporting the proposed increase are available at the following address: \_\_\_\_\_ . Please call us at (telephone no.) if you would like to schedule an appointment to inspect these records.

Sincerely,

(Owner Representative)

**Note:** The first paragraph of the above letter should also contain the following sentence **if** the “percentage of income” used to determine the rent will also be increased: “The percentage of income used to determine the rent in the complex would also be raised from (current percentage) to (proposed percentage).”

**30 DAY NOTICE OF RENT INCREASE**

**(OWNER NAME)**

**(OWNER ADDRESS)**

Date: \_\_\_\_\_

(Tenant Name)  
(Tenant Address)

Dear \_\_\_\_\_:

This is to notify you that your rent will be increased to (amount) effective (date) for the following reason(s):

Please call us at (telephone no.) if you have any questions or would like to discuss this increase.

Sincerely,

(Owner Representative)

**Calculating Family Income from Assets that Generate Interest Income**

**Date:** \_\_\_\_\_

List the Type of Asset (Savings/checking, etc.)	List the Cash Value of the Asset as shown on Bank Statement, etc.	Imputed Interest	List the Actual Annual Income from Asset as shown on Bank Statement, etc.
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total Assets</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>Total Earned Interest \$ _____</b>

**Calculating Family Income from Assets that DO NOT Generate Interest Income**

List Any Non-Income Producing Assets (Home, IRA, etc.)	List the Cash Value of Asset	Calculate the Imputed Income by multiplying the Value listed by .02
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total Assets</b>	<b>\$ _____</b>	<b>Total Imputed Interest \$ _____</b>

**Imputed Income from Assets = Cash Value of non income producing assets listed, x .020**

**Actual Income from Earned Interest Income:** \$ \_\_\_\_\_

**Imputed Income from Non-Income Producing Assets:** \$ \_\_\_\_\_

**Total Interest** \$ \_\_\_\_\_

**Note: If the total value of the assets is greater than or equal to \$5000 then Total Interest equals the greater of the imputed interest or the actual interest earned. If the total value of the assets is less than \$5000 then Total Interest equals the actual interest earned.**

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Verification Tips
	Third Party		Documents Provided by Applicant	
	Written	Oral		
<ul style="list-style-type: none"> <li>• Age.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• Birth Certificate</li> <li>• Baptismal Certificate</li> <li>• Military Discharge papers</li> <li>• Valid passport</li> <li>• Census document showing age</li> <li>• Naturalization certificate</li> <li>• Social Security Administration Benefits printout</li> </ul>	

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Verification Tips	
	Third Party		Documents Provided by Applicant		Self-Declaration
	Written	Oral			
<ul style="list-style-type: none"> <li>Alimony or child support.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of separation or divorce agreement provided by ex-spouse or court indicating type of support, amount, and payment schedule.</li> <li>Written statement provided by ex-spouse or income source indicating all of the above.</li> <li>If applicable, written statement from court/attorney that payments are not being received and anticipated date of resumption of payments.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with ex-spouse or income source documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of most recent check, recording date, amount, and check number.</li> <li>Recent original letters from the court.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant indicating amount received.</li> <li>If applicable, notarized statement or affidavit from applicant indicating that payments are not being received and describing efforts to collect amounts due.</li> </ul>	<ul style="list-style-type: none"> <li>Amounts awarded but not received can be excluded from annual income only when applicants have made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Verification Tips	
	Third Party		Documents Provided by Applicant		Self-Declaration
	Written	Oral			
<ul style="list-style-type: none"> <li>Assets disposed of for less than fair market value.</li> </ul>	<ul style="list-style-type: none"> <li>None required.</li> </ul>	<ul style="list-style-type: none"> <li>None required.</li> </ul>	<ul style="list-style-type: none"> <li>None required.</li> </ul>	<ul style="list-style-type: none"> <li>Certification signed by applicant that no member of family has disposed of assets for less than fair market value during preceding two years.</li> <li>If applicable, certification signed by the owner of the asset disposed of that shows:                             <ul style="list-style-type: none"> <li>- Type of assets disposed of;</li> <li>- Date disposed of;</li> <li>- Amount received; and</li> <li>- Market value of asset at the time of disposition.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Only count assets disposed of within a two-year period prior to examination or re-examination.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Self-Declaration	Verification Tips
	Third Party		Documents Provided by Applicant		
	Written	Oral			
<ul style="list-style-type: none"> <li>• Auxiliary apparatus.</li> </ul>	<ul style="list-style-type: none"> <li>• Written verification from source of costs and purpose of apparatus.</li> <li>• Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any family member.</li> <li>• In case where the disabled person is employed, statement from employer that apparatus is necessary for employment.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with these sources documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>• Copies of receipts or evidence of periodic payments for apparatus.</li> </ul>		<ul style="list-style-type: none"> <li>• The owner must determine if expense is to be considered medical or disability assistance.</li> </ul>

**Acceptable Forms of Verification**

<b>Factor to be Verified</b>	<b>ACCEPTABLE SOURCES</b>			<b>Documents Provided by Applicant</b>	<b>Self-Declaration</b>	<b>Verification Tips</b>
	<b>Third Party</b>					
	<b>Written</b>	<b>Oral</b>				
<ul style="list-style-type: none"> <li>Care attendant for disabled family members.</li> </ul>	<ul style="list-style-type: none"> <li>Written verification from attendant stating amount received, frequency of payments, hours of care.</li> <li>Written certification from doctor or rehabilitation agency that care is necessary to employment of family member.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of receipts or cancelled checks indicating payment amount and frequency.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or signed affidavit attesting to amounts paid.</li> </ul>	<ul style="list-style-type: none"> <li>The owner must determine if this expense is to be considered medical or disability assistance.</li> </ul>	

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Documents Provided by Applicant	Self-Declaration	Verification Tips
	Third Party					
	Written	Oral				
<ul style="list-style-type: none"> <li>Childcare expenses (including verification that a family member who has been relieved of childcare is working, attending school, or looking for employment).</li> </ul>	<ul style="list-style-type: none"> <li>Written verification from the person who provides care indicating amount of payment, hours of care, names of children, frequency of payment, and whether or not care is necessary to employment or education.</li> <li>Verification of employment as required under Employment Income.</li> <li>Verification of student status (full or part-time) as required under Full-Time Student Status.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources (childcare provider, employer, school) documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of receipts or cancelled checks indicating payments.</li> <li>For school attendance, school records, such as paid fee statements that show that the time and duration of school attendance reasonably corresponds to the period of childcare.</li> </ul>	<ul style="list-style-type: none"> <li>For verification of “looking for work,” details of job search effort as required by owner’s written policy.</li> </ul>	<ul style="list-style-type: none"> <li>Allowance provided only for care of children 12 and younger.</li> <li>When same care provider takes care of children and disabled person, the owner must prorate expenses accordingly.</li> <li>Owners should keep in mind that costs may be higher in summer months and during holiday periods.</li> <li>The owner must determine which family member has been enabled to work.</li> <li>Care for employment and education must be prorated to compare to earnings.</li> <li>Costs must be “reasonable.”</li> </ul>	

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Current net family assets.</li> </ul>	<ul style="list-style-type: none"> <li>Verification forms, letters or documents received from financial institutions, stockbrokers, real estate agents, employers indicating the current value of the assets and penalties or reasonable costs to be incurred in order to convert nonliquid assets into cash.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with appropriate source, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Passbooks, checking, or savings account statements, certificates of deposit, property appraisals, stock or bond documents, or other financial statements completed by financial institution.</li> <li>Copies of real estate tax statements if tax authority uses approximate market value.</li> <li>Quotes from attorneys, stockbrokers, bankers, and real estate agents that verify penalties and reasonable costs incurred to convert assets to cash.</li> <li>Copies of real estate closing documents that indicate distribution of sales proceeds and settlement costs.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or signed affidavit stating cash value of assets or verifying cash held at applicant's home or in safe deposit box.</li> </ul>	<ul style="list-style-type: none"> <li>Use current balance in savings accounts and average monthly balance in checking accounts for last 6 months.</li> <li>Use cash value of all assets (the net amount the applicant would receive if the asset were converted to cash).</li> <li><b>NOTE:</b> This information can usually be obtained simultaneously when verifying income from assets and employment (e.g., value of pension).</li> </ul>

**Acceptable Forms of Verification**

<b>Factor to be Verified</b>	<b>ACCEPTABLE SOURCES</b>			<b>Verification Tips</b>	
	<b>Third Party</b>		<b>Documents Provided by Applicant</b>		<b>Self-Declaration</b>
	<b>Written</b>	<b>Oral</b>			
<ul style="list-style-type: none"> <li>Disability status.</li> </ul>	<ul style="list-style-type: none"> <li>Verification from medical professional stating that individual qualifies under the definition of disability.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with medical professional verifying qualification under the federal disability definition and documentation in the file of the conversation.</li> </ul>		<ul style="list-style-type: none"> <li>Not appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>If a person receives Social Security Disability solely due to substance use disorder, the person is not considered disabled under housing law. A person that does not receive Social Security Disability may still qualify under the definition of a person with disabilities.</li> <li>Owners must not seek to verify information about a person's specific disability other than obtaining a professional's opinion of qualification under the definition of a person with disabilities.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Dividend income and savings account interest income.</li> </ul>	<ul style="list-style-type: none"> <li>Verification form completed by bank.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with appropriate party, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of current statements, bank passbooks, certificates of deposit, if they show required information (i.e., current rate of interest).</li> <li>Copies of Form 1099 from the financial institution, and verification of projected income for the next 12 months.</li> <li>Broker's quarterly statements showing value of stocks/bonds and earnings credited to the applicant.</li> </ul>	<ul style="list-style-type: none"> <li>Not appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>The owner must obtain enough information to accurately project income over the next 12 months.</li> <li>Verify interest rate as well as asset value.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Self-Declaration	Verification Tips
	Third Party		Documents Provided by Applicant		
	Written	Oral			
<ul style="list-style-type: none"> <li>• Employment Income including tips, gratuities, overtime.</li> </ul>	<ul style="list-style-type: none"> <li>• Verification form completed by employer.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with employer, specifying amount to be paid per pay period and length of pay period. Document in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>• W-2 Forms, if applicant has had same employer for at least two years and increases can be accurately projected.</li> <li>• Paycheck stubs or earning statements.</li> </ul>	<ul style="list-style-type: none"> <li>• Notarized statements or affidavits signed by applicant that describe amount and source of income.</li> </ul>	<ul style="list-style-type: none"> <li>• Always verify frequency of gross pay (i.e., hourly, biweekly, monthly, bimonthly); anticipated increases in pay and effective dates; overtime.</li> <li>• Require most recent 6-8 consecutive pay stubs; do not use check without stub.</li> <li>• For a fee, additional information can be obtained from The Work Number 800-996-7556; First American Registry 800-999-0350; and Verifax 800-969-5100. Fees are valid project expenses. Information does not replace third-party verification.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Self-Declaration	Verification Tips
	Third Party		Documents Provided by Applicant		
	Written	Oral			
<ul style="list-style-type: none"> <li>Family composition.</li> </ul>	<ul style="list-style-type: none"> <li>None required.</li> </ul>	<ul style="list-style-type: none"> <li>None required.</li> </ul>	<ul style="list-style-type: none"> <li>Birth certificates</li> <li>Divorce actions</li> <li>Drivers' licenses</li> <li>Employer records</li> <li>Income tax returns</li> <li>Marriage certificates</li> <li>School records</li> <li>Social Security Administration records</li> <li>Social service agency records</li> <li>Support payment records</li> <li>Utility bills</li> <li>Veterans Administration (VA) records</li> </ul>		<ul style="list-style-type: none"> <li>An owner may seek verification only if the owner has clear written policy.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Family type. (Information verified only to determine eligibility for project, preferences, and allowances.)</li> </ul>	<ul style="list-style-type: none"> <li>Disability Status: statement from physician or other reliable source, if benefits documenting status are not received. Displacement Status: Written statement or certificate of displacement by the appropriate governmental authority.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Elderly Status (when there is reasonable doubt that applicant is at least 62): birth certificate, baptismal certificate, social security records, driver's license, census record, official record of birth or other authoritative document or receipt of SSI old age benefits or SS benefits.</li> <li>Disabled, blind: evidence of receipt of SSI or Disability benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Elderly Status: Applicant's signature on application is generally sufficient.</li> </ul>	<ul style="list-style-type: none"> <li>Unless the applicant receives income or benefits for which elderly or disabled status is a requirement, such status must be verified.</li> <li>Status of disabled family members must be verified for entitlement to \$480 dependent deduction and disability assistance allowance.</li> <li>Owner may not ask the nature/extent of disability.</li> </ul>
<ul style="list-style-type: none"> <li>Full-time student status (of family member 18 or older, excluding head, spouse, or foster children).</li> </ul>	<ul style="list-style-type: none"> <li>Verification from the Admissions or Registrar's Office or dean, counselor, advisor, etc., or from VA Office.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>School records, such as paid fee statements that show a sufficient number of credits to be considered a full-time student by the educational institution attended.</li> </ul>		

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Income maintenance payments, benefits, income other than wages (i.e., public assistance, Social Security [SS], Supplemental Security Income [SSI], Disability Income, Pensions).</li> </ul>	<ul style="list-style-type: none"> <li>Award or benefit notification letters prepared and signed by an authorizing agency.</li> <li>TRACS or REAC may provide verification for social security.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with income source, documented in file by the owner.</li> <li><b>NOTE:</b> For all oral verification, file documentation must include facts, time and date of contact, and name and title of third party.</li> </ul>	<ul style="list-style-type: none"> <li>Current or recent check stubs with date, amount, and check number recorded by the owner.</li> <li>Award letters or computer printout from court or public agency.</li> <li>Copies of validated bank deposit slips, with identification by bank.</li> <li>Most recent quarterly pension account statement.</li> </ul>		<ul style="list-style-type: none"> <li>Checks or automatic bank deposit slips may not provide gross amounts of benefits if applicant has deductions made for Medicare Insurance.</li> <li>Pay stubs for the most recent four to six weeks should be obtained.</li> <li>Copying of U.S. Treasury checks is not permitted.</li> <li>Award letters/printouts from court or public agency may be out of date; telephone verification of letter/printout is recommended.</li> </ul>

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Interest from sale of real property (e.g., contract for deed, installment sales contract, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Verification form completed by an accountant, attorney, real estate broker, the buyer, or a financial institution which has copies of the amortization schedule from which interest income for the next 12 months can be obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with appropriate party, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of the contract.</li> <li>Copy of the amortization schedule, with sufficient information for the owner to determine the amount of interest to be earned during the next 12 months.</li> <li><b>NOTE:</b> Copy of a check paid by the buyer to the applicant is not acceptable.</li> </ul>		<ul style="list-style-type: none"> <li>Only the interest income is counted; the balance of the payment applied to the principal is merely a liquidation of the asset.</li> <li>The owner must get enough information to compute the actual interest income for the next 12 months.</li> </ul>

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES			Verification Tips	
	Third Party		Documents Provided by Applicant		Self-Declaration
	Written	Oral			
<ul style="list-style-type: none"> <li>Medical expenses.</li> </ul>	<ul style="list-style-type: none"> <li>Verification by a doctor, hospital or clinic, dentist, pharmacist, etc., of estimated medical costs incurred or regular payments expected to be made on outstanding bills which are not covered by insurance during recertification period.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of cancelled checks that verify payments on outstanding medical bills that will continue for all or part of the 12 months.</li> <li>Copies of income tax forms (Schedule A, IRS Form 1040) that itemize medical expenses.</li> <li>Receipts, cancelled checks, pay stubs, which indicate health insurance premium costs, or payments to a resident attendant.</li> <li>Receipts or ticket stubs that verify transportation expenses directly related to medical expenses.</li> <li>Prescriptions – receipts or pharmacy print out.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or signed affidavit of transportation expenses directly related to medical treatment, if there is no other source of verification.</li> </ul>	

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES			Verification Tips	
	Third Party		Documents Provided by Applicant		Self-Declaration
	Written	Oral			
<ul style="list-style-type: none"> <li>• Need for an assistive animal.</li> </ul>	<ul style="list-style-type: none"> <li>• Letter from medical provider.</li> </ul>			<ul style="list-style-type: none"> <li>• If the owner’s policy is to verify this need, owner must implement policy consistently.</li> </ul>	
<ul style="list-style-type: none"> <li>• Net Income for a business.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Form 1040 with Schedule C, E, or F.</li> <li>• Financial Statement(s) of the business (audited or unaudited) including an accountant’s calculation of straight-line depreciation expense if accelerated depreciation was used on the tax return or financial statement.</li> <li>• Any loan application listing income derived from business during the preceding 12 months.</li> <li>• For rental property, copies of recent rent checks, lease and receipts for expenses, or IRS Schedule E.</li> </ul>		

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>Recurring contributions and gifts.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of gifts.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant stating purpose, dates, and value of gifts.</li> </ul>	<ul style="list-style-type: none"> <li>Sporadic contributions and gifts are not counted as income.</li> </ul>
<ul style="list-style-type: none"> <li>Self-employment, tips, gratuities, etc.</li> </ul>	None available.	None available.	<ul style="list-style-type: none"> <li>Form 1040/1040A showing amount earned and employment period.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant showing amount earned and pay period.</li> </ul>	

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>• Social security number.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• Original Social Security card</li> <li>• Driver's license with SSN</li> <li>• Identification card issued by a federal, State, or local agency, a medical insurance provider, or an employer or trade union.</li> <li>• Earnings statements on payroll stubs</li> <li>• Bank statement</li> <li>• Form-1099</li> <li>• Benefit award letter</li> <li>• Retirement benefit letter</li> <li>• Life insurance policy</li> <li>• Court records</li> </ul>	<ul style="list-style-type: none"> <li>• Certification that document is complete/accurate unless original Social Security card is provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals who have applied for legalization under the Immigration Reform and Control Act of 1986 will be able to disclose their social security numbers but unable to supply cards for documentation. Social security numbers are assigned to these persons when they apply for amnesty. The cards go to DHS until the persons are granted temporary lawful resident status. Until that time, their acceptable documentation is a letter from the DHS indicating that social security numbers have been assigned.</li> </ul>
<ul style="list-style-type: none"> <li>• Unborn children.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicant/tenant self-certifies to pregnancy.</li> </ul>	<ul style="list-style-type: none"> <li>• Owner may not verify further than self-certification.</li> </ul>

### Acceptable Forms of Verification

Factor to be Verified	ACCEPTABLE SOURCES			Self-Declaration	Verification Tips
	Third Party		Documents Provided by Applicant		
	Written	Oral			
<ul style="list-style-type: none"> <li>• Unemployment compensation.</li> </ul>	<ul style="list-style-type: none"> <li>• Verification form completed by source.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with agency documented in a file by an owner.</li> </ul>	<ul style="list-style-type: none"> <li>• Copies of checks or records from agency provided by applicant stating payment amounts and dates.</li> <li>• Benefit notification letter signed by authorizing agency.</li> </ul>		<ul style="list-style-type: none"> <li>• Frequency of payments and expected length of benefit term must be verified.</li> <li>• Income not expected to last full 12 months must be calculated based on 12 months and interim recertification completed when benefits stop.</li> </ul>
<ul style="list-style-type: none"> <li>• Public assistance payments (as-paid states only).</li> </ul>	<ul style="list-style-type: none"> <li>• Verification form completed by public assistance department indicating maximum amount family may receive.</li> <li>• Maximum shelter schedule by household size with ratable reduction schedule.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with income source, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum shelter allowance schedule with ratable reduction schedule provided by applicant.</li> </ul>	<ul style="list-style-type: none"> <li>• Not appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• Actual public assistance benefit amount not sufficient as proof of income in “as-paid” states or localities since income is defined as maximum shelter amount.</li> </ul>

**Acceptable Forms of Verification**

Factor to be Verified	ACCEPTABLE SOURCES				Verification Tips
	Third Party		Documents Provided by Applicant	Self-Declaration	
	Written	Oral			
<ul style="list-style-type: none"> <li>• Zero Income.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicant/Tenant self-certifies to zero income.</li> </ul>	<ul style="list-style-type: none"> <li>• Owners may require applicant/tenant to sign verification release of information forms for state, local, and federal benefits programs, as well as the HUD 9887 and HUD 9887-A.</li> <li>• Owners may require the tenant to reverify zero income status at least every 90 days.</li> </ul>

A sample release form, “Record of Third-Party Verification” form and calculation worksheet for medical expenses appear in Exhibits 9-1, 9-2, and 9-3.

**Zero Income Checklist and Worksheet: Verification of Non-case Contributions**

This Checklist and Worksheet is to be completed for all families whose Total Tenant Payment equals the minimum rent, or, for PHA's without minimum rents, for all families reporting less than \$100 per month in total income. The Form should be completed prior to admission and at each recertification (which may be monthly or quarterly depending on the PHA's policy on reexamination of tenants with minimum rents or zero income). The form first lists all the cash and non-cash contributions the family is receiving and then assists PHA staff to compute the annual value of such contributions. This form should be completed after the Home Visit to an applicant or a home inspection of a resident. The family is required to submit documentation of the amounts claimed.

**1. Food Expenses**

Is the family receiving Food Stamps?  Yes  No.

If yes, what is the monthly value of food stamps? \$ \_\_\_\_\_

If no, what is the family's weekly grocery bill? \$ \_\_\_\_\_

How does the family pay the weekly grocery bill? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to groceries, who contributes? \_\_\_\_\_

What is the average cash weekly amount for groceries contributed from all sources? \$ \_\_\_\_\_

**This amount is income.**

Does anyone contribute groceries or prepared food to the family on a regular basis?  Yes  No

If yes, what is the average weekly value of groceries or prepared food contributed? \$ \_\_\_\_\_.

**This amount is income.**

**Note:** Food contributed by food banks, received from the surplus commodity program, the WIC program, or consumed at publicly or non-profit funded meals programs does not count as income. Food or cash for food contributed by private persons does count as income.

*Verification: The family should bring in at least one month's worth of grocery receipts. Check the receipts to make sure a family of that size could manage on the amount of food documented.*

**2. Cleaning, Grooming and Paper Products Expenses**

What is the weekly value of paper products used by the family? Include paper napkins, toilet paper, paper towels, trash bags, other paper goods, and disposable diapers. \$ \_\_\_\_\_

How does the family pay for these paper products? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to paper products, who contributes? \_\_\_\_\_ What is

the average weekly value of cash contributions for paper products? \$ \_\_\_\_\_

**This amount is income.**

Does anyone contribute paper products to the family on a regular basis?  Yes  No.

If yes, what is the average weekly value of paper products contributed to the family? \$ \_\_\_\_\_

**This amount is income.**

What is the weekly value of grooming products and services used by the family? Include soap, deodorant, shampoo, toothbrushes, toothpaste, dental floss, cosmetics, hair color, barber, beautician services etc.  
\$ \_\_\_\_\_

How does the family pay for the cost of grooming products and services? \_\_\_\_\_

If someone other than a member of the applicant family contributes to grooming products, who contributes? \_\_\_\_\_ What

is the average weekly value of contributions (cash or products) for grooming products?

\$ \_\_\_\_\_

**This amount is income.**

What is the weekly value of cleaning products used by the family? Include dishwashing soap, laundry detergent, and household cleaning products. \$ \_\_\_\_\_.

How does the family pay for cleaning products? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to cleaning products, who contributes? \_\_\_\_\_ What

is the average weekly value of cash contributions for cleaning products? \$ \_\_\_\_\_

**This amount is income.**

Does anyone contribute cleaning products to the family on a regular basis?  Yes  No. If yes, what is the average weekly value of cleaning products contributed to the family? \$ \_\_\_\_\_

**This amount is income.**

*Verification: Most families buy cleaning supplies, grooming products, and paper products at the grocery store. Review the family's grocery receipts to help verify amount spent.*

### 3. Transportation Expenses

Does the family own a car?  Yes  No.

If yes, are there still payments due on the car?  Yes  No.

If yes, what is the amount of the monthly car payment? \$ \_\_\_\_\_

How does the family make the car payment? \_\_\_\_\_

If someone other than a member of the applicant/tenant household contributes to the car payment, who contributes? \_\_\_\_\_

What is the monthly amount of contribution toward the car payment? \$ \_\_\_\_\_

**This amount is income. The amount is income whether it is cash paid to the family or cash paid directly to the holder of the car note.**

If the family owns a car outright (no payments are due), what are the average monthly amounts the family pays for the following:

Gas \$ \_\_\_\_\_ Maintenance \$ \_\_\_\_\_ Insurance \$ \_\_\_\_\_ Tires \$ \_\_\_\_\_

How does the family pay for these auto-related expenses? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to the car's operating costs, who contributes? \_\_\_\_\_

What is the average monthly amount of cash or direct payment contribution to the car's operating costs? \$ \_\_\_\_\_

**This amount is income.**

*Verification: The family should bring in one month's gas receipts, proof of insurance and proof of car payment (if applicable).*

**Note: Uninsured automobiles cannot be parked on PHA property.**

If the family does not own a car, what does the family use for transportation?

\_\_\_\_\_

How does the family pay for this transportation?

\_\_\_\_\_  
If someone other than a member of the applicant/tenant family contributes to other transportation costs, what is the average monthly amount of cash or other contribution to transportation?

\$ \_\_\_\_\_

**This amount is income.**

*Verification: A family without a car should provide a credible statement of the way they pay for transportation to shop, attend school, visit friends, take care of medical needs, attend church, etc.*

#### 4. Entertainment Expenses

Does the family have a cable TV connection?  Yes  No.

If yes, does the family have the basic minimum service or do they also have any premium channels?

Yes  No.

What is the average monthly cost of cable TV service? \$ \_\_\_\_\_

How does the family pay for the cable TV service? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to the cost of cable TV service, who contributes? \_\_\_\_\_

What is the average monthly contribution (in cash or direct payment to the cable company) for cable TV?

\$ \_\_\_\_\_

**This amount is income.**

What are the average weekly costs of other types of entertainment for the family? Include the following:

Magazines \$ \_\_\_\_\_ Movies \$ \_\_\_\_\_ Video Rentals \$ \_\_\_\_\_

Club memberships \$ \_\_\_\_\_ Sporting events \$ \_\_\_\_\_ Liquor/Beer/Wine \$ \_\_\_\_\_

Lottery tickets \$ \_\_\_\_\_ Vacations \$ \_\_\_\_\_

Other entertainment \$ \_\_\_\_\_

How does the family pay for the other entertainment costs? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to the cost of other entertainment, who contributes? \_\_\_\_\_ What is

the average monthly contribution (in cash or entertainment provided) for other entertainment? \$ \_\_\_\_\_

**This amount is income.**

*Verification: The family should bring in two monthly bills for cable TV, plus receipts for other entertainment costs.*

#### 5. Clothing Expenses

What are the ages and sexes of all family members? \_\_\_\_\_

\_\_\_\_\_  
What is the average monthly cost for clothing and shoes for the family? \_\_\_\_\_

How does the family pay for clothing and shoes? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to the cost of clothing, who contributes? \_\_\_\_\_

What is the average monthly contribution (in cash or new clothes and shoes) for clothing? \$ \_\_\_\_\_

**This amount is income.**

What is the weekly amount spent by the family for laundry/dry cleaning clothing? \$ \_\_\_\_\_

How does the family pay for cleaning its clothing? \_\_\_\_\_

If someone other than a member of the applicant/tenant household contributes to the cost of cleaning clothing, who contributes? \_\_\_\_\_ What

is the average monthly contribution for clothes cleaning? \$ \_\_\_\_\_

**This amount is income.**

**Note: Clothing acquired from Clothing banks or given to the family second hand is not counted as income.**

*Verification: The family should provide a schedule that shows when clothing and shoes are purchased and the amounts spent. Remember that children will need more clothing and shoes than adults because they are growing.*

### **6. Smoking Expenses**

Does anyone in the applicant/tenant household smoke cigarettes or cigars?  Yes  No.

If yes, how many packs per day are smoked by the smokers in the household? \_\_\_\_\_

How does the family pay for the cost of cigarettes/cigars? \_\_\_\_\_

If someone other than a member of the applicant/tenant household contributes to the cost of smoking, who contributes? \_\_\_\_\_

What is the average monthly contribution (in cash, cigarettes, or cigars) \$ \_\_\_\_\_

**This amount is income.**

*Verification: The family should document the brand of cigarettes/cigars smoked and the staff will document the least expensive price for that brand in the locality to impute cost.*

### **7. Communications Expenses**

Does the family have a telephone?  Yes  No

If yes, how many lines does the family have into its house/apartment? \_\_\_\_\_

Does the family have any special telephone services? (For example, call waiting, call forwarding, caller ID, etc.)  Yes  No

Does anyone in the family have a cell phone?  Yes  No.

What is the average monthly cost for telephone service? \$ \_\_\_\_\_

How does the family pay for the cost of telephone service? \_\_\_\_\_

If someone other than a member of the applicant/tenant household contributes to the cost of telephone service, who contributes? \_\_\_\_\_

What is the average monthly contribution (in cash or direct payment of the telephone bill) for telephone service? \$ \_\_\_\_\_

**This amount is income.**

Does the family have an internet connection?  Yes  No

If yes, who is the internet provider? \_\_\_\_\_ What

is the monthly cost of the internet connection? \_\_\_\_\_

If someone other than a member of the applicant/tenant family contributes to the cost of the internet connection, who contributes? \_\_\_\_\_ What

is the average monthly contribution (in cash or direct payment to the internet provider) for internet services? \$ \_\_\_\_\_ **This amount is income.**

*Verification: The family should bring in at least two month's worth of bills for telephone, beeper/pager and internet services, as applicable. Review the bills carefully to determine the average monthly cost for communications services.*

### **8. Shelter Expenses**

For applicants, what is the average monthly cost for housing and utilities? \$ \_\_\_\_\_

How does the applicant pay the cost of shelter? \_\_\_\_\_

If someone other than a member of the applicant household contributes to housing or utility costs, who contributes? \_\_\_\_\_

What is the average monthly contribution to shelter (housing plus utilities)?

Will the person(s) contributing toward shelter continue to do so when the applicant is admitted to public housing?  Yes  No.

If no, why not? \_\_\_\_\_

For tenants, what is the average monthly cost for housing and utilities? \$ \_\_\_\_\_

How does the tenant pay the cost of shelter? \_\_\_\_\_

If someone other than a member of the tenant household contributes toward the shelter cost, who contributes? \_\_\_\_\_ What

is the value of the contribution toward shelter? \$ \_\_\_\_\_

**This amount is income.**

*Verification: Families should bring in documentation of their actual cost for housing and utilities.*

**9. Medical Expenses**

Does the family have any unreimbursed medical expenses?  Yes  No.

If yes, what is the average monthly cost of unreimbursed medical expenses? \$ \_\_\_\_\_

How does the family pay for unreimbursed medical expenses? \_\_\_\_\_

If someone other than a member of the applicant/tenant household contributes toward medical expenses, who contributes? \_\_\_\_\_

**Such contributions are not income.**

**10. Miscellaneous Expenses**

Listed below are a series of expenses the family might have. Indicate the monthly amount the family spends on any applicable expenses and the amounts contributed toward the expenses:

Church contributions \$ \_\_\_\_\_

Unreimbursed Educational Expenses \$ \_\_\_\_\_

Unreimbursed Childcare Expenses \$ \_\_\_\_\_

Unreimbursed Job Expenses \$ \_\_\_\_\_

*Housing Authority letterhead*

I, \_\_\_\_\_, certify that

\_\_\_\_\_ No member of my family has disposed of assets (valued at \$1000 or more) for less than fair market value during the preceding two years.

\_\_\_\_\_ I, or my family member, have disposed of assets for less than fair market value:

Type of Asset disposed of: \_\_\_\_\_

Date Disposed: \_\_\_\_\_

Market Value of Asset at the time of disposition: \_\_\_\_\_

Amount received for asset: \_\_\_\_\_

\_\_\_\_\_  
Tenant Signature

\_\_\_\_\_  
Date

**NOTICE OF OVER INCOME STATUS  
AND  
LIABILITY FOR SURCHARGE**

**(Owner)  
(Owner Address)**

Date: \_\_\_\_\_

(Tenant Name)  
(Tenant Address)

Dear \_\_\_\_\_:

Section 8-73 of Chapter 128 of the Connecticut General Statutes provides that a tenant must vacate his dwelling unit no later than sixty (60) days after the date that the owner mails him a notice to inform him that his annual income exceeds the limit set for continued occupancy in such housing. A tenant who does not vacate his dwelling unit after the 60-day period is subject to eviction. Section 8-73 also provides that a tenant who continues in occupancy beyond the 60-day period must pay a monthly surcharge equal to 2% of the amount by which his annual income exceeds the continued occupancy limit.

Based on information recently obtained during the annual certification process, we have determined that your annual income exceeds the limit set for continued occupancy in your dwelling unit. Pursuant to the above statutory requirements, you are hereby notified that your failure to vacate your dwelling unit by (date) will result in your paying a surcharge equal to (amount) effective (date). This amount must be paid in addition to your regular monthly rent of (amount). We may also be required to begin eviction proceedings against you on or about (date).

If you experience a reduction in your income, we will redetermine your eligibility for continued occupancy and will recalculate your surcharge based on your reduced income. Please let us know immediately if you experience a reduction in your income.

**Sincerely,**

(Owner Representative)



## Chapter 10

### USE OF REPLACEMENT RESERVE

#### Section 1. Use of Replacement Reserve – CHFA Held Escrow ONLY

##### 10-1. Use of Replacement Reserve (RR).

Connecticut Housing Finance Authority's (CHFA) policies and procedures pertaining to requesting use of the RR account are listed below. Approval and pre-approval over a fixed amount from any RR account will be subject to CHFA's discretion.

Capital Needs Assessment & Schedule. The appropriate RR levels can only be determined by undertaking and updating, on a regular cycle (2 to 4 years depending on the age of the project), a Capital Needs Assessment & Schedule. As part of your capital budgeting efforts, a Capital Needs Assessment & Schedule helps you to assess the long-term (20 years) capital needs of each state-financed property in order to extend and preserve the physical life of the asset.

CHFA, at its discretion, or as part of our annual budget approval may require the owner to commission a Capital Needs Assessment, by a qualified independent inspection firm, on each property. The cost of the Capital Needs Assessment is considered an operating expense and is payable, first from unappropriated retained earnings or if funds are insufficient, then the remainder from the RR reserve account. Any request for financial assistance (for capital improvements) will only be considered after a Capital Needs Assessment has been completed and submitted to CHFA.

##### **Without Capital Needs Assessment - Minimum Balances**

Without an updated Capital Needs Assessment, the minimum balances in the RR account should be:

- \$1,500 per unit for family developments\*
- \$1,000 per unit for elderly and congregate developments

\* Family developments are properties created under the Affordable, Moderate Rental, Mutual Housing, and Limited Equity Cooperative programs.

The minimum balances, as determined by CHFA, should increase at a rate of 4% per annum or the Consumer Price Index, whichever is greater. The minimum balance amounts are to be used where the sponsors/owners have not completed and maintained a Capital Needs Assessment for the property.

##### **Use of CHFA held Replacement Reserves:**

Please see CHFA's Escrow Disbursement Policy found in this link:

[https://www.chfa.org/assets/1/19/CHFA\\_Escrow\\_Disbursement\\_Policy\\_1-2025.pdf?13851](https://www.chfa.org/assets/1/19/CHFA_Escrow_Disbursement_Policy_1-2025.pdf?13851)

Escrow Disbursement Forms can also be found on CHFA's website.

## **Bid Process**

All requests for work exceeding \$100,000 must be pre-approved by the Asset Manager assigned to your development. Each request may require:

1. A statement of physical improvement need;
2. A detailed description of improvement work needed to be performed;
3. Bids, plans, specifications, and contracts may be subject to review by the Architectural and Construction Services and Asset Management divisions;
4. Comparable, competitive, public bids, generally three (3), from third-party contractors; and
5. An anticipated time schedule for completion.

The "Transmittal for Pre-Approval" CHFA HM 6-21 was created to assist in this requirement. The form must be completed by the Sponsors/Owners and forwarded to your Asset Manager for their signature. All bids, job specs and contracts prior to acceptance must accompany the CHFA HM 6-21 Form so they may be reviewed. This process eliminates the need for formal written correspondence with your Asset Manager. **Note:** CHFA acceptance of an annual budget does not constitute approval of the aforementioned requirements.

## **Public Act 02-79**

This Public Act amends Section 8-44 for local housing authorities. It makes purchasing and procurement procedures consistent with federal law in three ways: (1) raises the spending threshold that triggers public bidding to the federal threshold of \$250,000 (previously set at \$25,000) and specifies that the requirements only apply to construction work, supplies or personal property; (2) imposes federal competitive proposal requirements for purchases at or below \$250,000; and (3) removes procurement of professional services at any expense level from bidding and places it under federal competitive proposal requirements.

These changes do not supersede the requirements imposed by this policy. Where this policy is inconsistent or more stringent than Public Act 02-79, this policy will prevail. Sponsors should review their current/adopted procurement policy and consider changes to reduce or eliminate conflicts with Public Act 02-79. Any changes in your procurement policy must be approved by Board resolution.

## **Contracts**

Any structural or large-scale mechanical repairs or improvements require a contract to be executed with the contractor providing the services. The purchase of property equipment, such as refrigerators, will not require an executed contract.

## **Descriptive Codes**

CHFA has assigned "codes" for items that are generally considered to be capital items. These are available on the CHFA website.

## **Extraordinary Circumstances**

An exception to the approval process may be considered if a development encountered an emergency. Asset Managers will consider all extraordinary circumstances on a case-by-case basis. Please notify your Asset Manager within 48 hours of an emergency.

## **Section 2. Procurement Guideline**

### **LOCAL HOUSING AUTHORITIES WITH STATE FINANCED HOUSING DEVELOPMENTS**

**10-2. Changes to CT General Statute Sec. 8-44 “Powers of Authority”.** Expenditures in excess of \$250,000 governed by state law.

- a. CT General Statute Sec. 8-44 is repealed and the following is substituted in lieu thereof by State Public Act 02-79.

Effective July 1, 2002, Connecticut General Statute (CGS), Section 8-44 (b) in part states, "...‘housing project construction work’ means the construction, reconstruction, improvement, alteration or repair of a housing project or any part of a housing project; and "simplified acquisition threshold" has the same meaning as "simplified acquisition threshold", as defined in 41 USC 403(11). All contracts to be made or let by an authority for housing project construction work, supplies, or purchases of personal property of every description, shall be publicly advertised, for the purpose of receiving bids upon the same, in a local daily paper and, if deemed advisable, in other papers, provided the several parts of such housing project construction work, supplies or personal property shall, together, involve an expenditure that exceeds the simplified acquisition threshold. The bids received in response to such public advertisement shall be publicly opened at a hearing of the authority, the date and time of such hearing being named in such public advertisement, and the contract or award shall be made by the authority with or to the lowest responsible bidder. Such bidding shall not be required for housing project construction work, supplies or personal property previously bid and contracted for by the Department of Administrative Services, the federal General Services Administration, the United States Department of Housing and Urban Development, or a municipality. An expenditure for housing project construction work, supplies or personal property which is less than or equal to the simplified acquisition threshold and any expenditure for legal or other professional services shall be made in accordance with the competitive proposals requirements of 24 CFR 85. 36. In any contract let in connection with a housing project, an authority, notwithstanding any provision to the contrary in this chapter or in any other statute, may include stipulations requiring that the contractor and any subcontractors comply with requirements a to minimum wages, maximum hours and any conditions which the federal government or any other obligee may have imposed as prerequisite to the granting of financial aid to the housing project.

- b. State Public Act 02-79 passed during the 2002 legislative session, made changes to CT General Statute Sec. 8-44, effective July 1, 2002. The new provisions, which are set forth in a new section 8-44(b), remove procurement of professional services from previous

bidding requirements of more than \$25,000 and established it under the federal procurement competitive proposal requirements as set forth in 24 CFR 85.36

#### Summary of Public Act 02-79

1. Raises the spending threshold that triggers bidding requirements from more than \$25,00 to more than \$250,000 (federal threshold) and specifies that the requirements apply only to housing project construction work, supplies, or personal property;
2. Imposes federal competitive proposal requirements for purchases at or below \$100,000; and
3. Removes procurement of professional services from bidding requirements and places it under federal competitive proposal requirements.

Under prior law, all contracts or purchases of more than \$25,000 had to follow a competitive bidding process and no distinction was made between construction work and professional services. Prior law allowed an authority to waive the bidding process for contracts up to \$30,000 by a vote of the authority board if it stated that the waiver was in the public interest.

In light of the changes affected by Public Act 02-79, it is suggested that you review with the Board of Commissioners possible changes to the Housing Authority's current procurement procedures to ensure compliance with Public Act 02-79, CGS Sec. 8-44(b). Changes to the Housing Authority's current procurement policy must be adopted by vote of the Board of Commissioners.

- c. CT General Statute Sec. 8-44 "Powers of Authority" was repealed, and substitutions incorporated in accordance with State Public Act 02-79 effective July 1, 2002. It is suggested that you review with the Board of Commissioners possible changes to the Housing Authority's current procurement procedures in regard to Public Act 02-79. Changes to the Housing Authority's current procurement policy must be adopted by vote and resolution of the Board of Commissioners. This will allow for compliance with Public Act 02-79, the repealed and substituted language referenced in CGS Section 8-44 (b) related to Housing Authority's business within the management of state financed housing projects that may involve expenditures utilizing reserves or state Rental Rehabilitation Program funded project work.
- d. In accordance with CGS, Section 8-37x (c), ...."The President of CHFA may, in their discretion, with respect to partially completed state-financed programs or projects or in the event of emergencies affecting human health, safety, welfare and life or endangering property, waive the bidding requirement of said section 8-44".... In such a case, the President of CHFA must receive a formal written request from the authorized representative of the local housing authority stating in sufficient detail the supporting information for a waiver.

**10-3. Procedures to follow for expenditures in excess of \$250,000.**

- a. A local housing authority **must request written approval from CHFA prior to soliciting bids.** see Replacement Reserve Policy and Procedure.
- b. Upon receiving the request, CHFA will provide guidance as needed to determine (1) whether the local housing authority should use the services of a consultant; and (2) if the housing authority has sufficient reserve funds to finance the repairs. If the housing authority does not have sufficient funds, they will be referred to CHFA and/or DOH staff for assistance in applying for other potential funds.
- c. The local housing authority may be required to submit a set of the consultant's final plans and specifications to the Asset Management division. In such cases, CHFA's Architectural and Construction Services division will conduct a very limited review of the plans and specifications and advise the local housing authority and consultant of any required changes. The consultant will then prepare a set of plans and specifications for bidding that incorporates these changes.
- d. The local housing authority shall document in their files the acceptance of the final plans and specifications and ensure that CHFA's comments are incorporated. It is recommended that an acceptance letter be sent by the housing authority to the consultant.
- e. After the final plans and specifications have been accepted by the local housing authority, the Board, or its designee, should they issue the approval for procurement of public advertisement for bids in accordance with the latest CT General Statute Sec. 8-44(b).
- f. The local housing authority must retain copies of all bid packages that were received from perspective bidders along with copies of all legal notices of bid advertisements.
- g. The staff of the local housing authority should make a recommendation of the selected lowest responsible bidder to the Board for approval and passage of an appropriate resolution.
- h. CHFA reserves the right to request any and all information on any bid at any time.
- i. The Housing Authority must submit to CHFA's staff one set of original executed construction contract documents with an insurance certificate(s) from the contractor that lists the coverages as described on CHFA's website.
  1. Workers' Compensation and Employers Liability Insurance:
    - bodily injury by accident \$100,000-each accident
    - bodily injury by disease \$100,000-each employee
    - bodily injury by disease \$500,000-policy limit

2. Comprehensive General liability with Non-owned and Hired Auto Endorsement and Broad Form CGL Endorsement and Owners and Contractors protective:

<u>Coverage Amount</u>		<u>Construction Amount</u>
\$300,000	CSL	\$ 10,001 to \$ 200,000
\$500,000	CSL	\$ 200,001 to \$1,000,000
\$1,000,000	CSL	\$1,000,001 and up

If any digging is involved, the Contractor must carry XCU (underground explosion endorsement)

3. Commercial Auto Liability Coverage (owned vehicle)

<u>Coverage Amount</u>		<u>Construction Amount</u>
\$300,000	CSL	\$ 10,001 to \$ 200,000
\$500,000	CSL	\$ 200,001 to \$1,000,000
\$1,000,000	CSL	\$1,000,001 and up

4. Subcontractor's Workers' Compensation - same as above.

Note: No work should be scheduled or commenced until the local housing authority has received and reviewed the executed contract documents and insurance certificates (s). See paragraph 11-1 for the requirements that apply to insurance certificates.

**10-4. Procedures to follow for expenditures totaling \$250,000 or less but more than \$2,001.**

- a. The local housing authority will approve these expenditures directly without CHFA approval, provided there are sufficient fund balances in the RR account. The housing authority should determine if they have available reserve funds. When reserve funds dip below the CHFA minimum balance or the amount shown on the housing authority's Capital Needs Assessment & Schedule, alternate funding should be sought.
- b. Public bidding is not required, however, there is nothing to preclude a local housing authority from public bidding for expenditures regardless of cost.
- c. When public bidding is not conducted, the local housing authority should follow the federal competitive proposal requirements of 24 CFR 85.36. If 3 competitive proposals cannot be obtained, local housing authority should document their files whatever efforts were made to obtain competitive proposals.
- d. Proposals for expenditures in excess of \$2,001 must be obtained in writing.
- e. Prior to execution of a contract for work totaling less than \$250,000, the local housing authority must obtain an insurance certificate that lists the following coverages. See Section 10-5 for the requirements that apply to insurance certificates.

1. Workers' Compensation and Employers Liability Insurance:  
bodily injury by accident \$100,000-each accident  
bodily injury by disease \$100,000-each employee  
bodily injury by disease \$500,000-policy limit
2. Comprehensive General liability with Non-owned and Hired Auto Endorsement  
and Broad Form CGL Endorsements in the amount of \$300,000.
3. Commercial Auto Liability Coverage (owned vehicle) in the amount of \$300,000.
4. Subcontractor's Workers' Compensation - same as above.

**10-5. Procedures to follow for expenditures totaling \$2,001 or less.**

- a. Quotes for expenditures of \$2,001 or less may be obtained verbally but must be documented in the local housing authority files.
- b. Each housing authority should have written procedures on how and when the Board will approve such expenditures.
- c. Insurance requirements, if any, are left to the requirements of the local housing authority.

**Insurance Certificates**

1. The insurance certificate for the Comprehensive General Liability policy must list Connecticut Housing Finance Authority as an Additional Insured and ATIMA
2. The insurance certificates for all of the other policies must list the Housing Authority and Connecticut Housing Finance Authority as a Certificate Holder.
3. Local housing authorities should inform and/or provide their insurance agent with a copy of these instructions.
4. CHFA must be notified by the agent or broker 30 days prior to expiration or cancellation of any policy.
5. Each certificate should include a description of operations: Identify the project name, number and title of work. The Named Insured, Additional Insured/Certificate Holder and Property location must be listed.

## 10-6. **Bid Waiver.**

CT General Statute, sub-section (c) of Section 8-37x is repealed and the following is substituted in lieu thereof.

In accordance with, effective July 1, 2002, the President of CHFA may, in his discretion, with respect to partially completed state-financed programs or projects or in the event of emergencies affecting human health, safety, welfare and life or endangering property, waive the bidding requirement and threshold of said.

In the event of an emergency, the local housing authority must submit documentation to the President of CHFA the public interest reason(s) for such waiver. When in doubt, seek legal guidance from your legal counsel.

### **Section 3. Capital Needs Assessment & Schedule**

## 10-7. **Capital Needs Assessment & Schedule.** RESERVES BY PROJECT, ANNUAL RR CASH FLOW ANALYSIS, FOR STATE FINANCED PROJECTS (SAMPLE FORMAT)

### **Capital Needs Assessment & Schedule**

- In the future, **Capital Needs Assessment & Schedule** may be required as part of rehab application to DOH/CHFA.

#### **Capital Needs Assessment & Schedule**

- is a better asset management and budgetary tool
  - is more comprehensive
  - required by most lenders and syndicators
  - can be used by Asset Manager and CHFA to adjust rents and RR PUMs
  - can be used to support requests for financial assistance from CHFA or others
  - can be used by CHFA as part of our capital budget process
  - should be done by independent consultants, with assistance from your maintenance staff. CHFA Architectural and Construction Services and Asset Management will review all **Capital Needs Assessment & Schedule** submissions.
- Asset Management has been and will continue to look closely at RR reserve levels in an effort to move all owners to self-sufficiency as required by law.
  - The Asset Management Division has been and will continue to disapprove annual operating budgets if they believe RR provision and overall reserve levels are too low. **Capital Needs Assessment & Schedule** may be used to resolve differences.

If requested in writing, the Asset Management has and will approve RR funds to undertake the **Capital Needs Assessment & Schedule**.

## Chapter 11

### REPORTING REQUIREMENTS AND SUGGESTED POLICIES AND PROCEDURES

This Chapter contains administrative requirements that apply to all owners of state financed housing. Compliance is **mandatory** and subject to review/audit by Independent Public Accountants (IPAs), State auditors, and/or DOH/CHFA personnel.

#### Chapter Contents

- 11-1. Insurance Requirements
- 11-2. Quarterly and Semi-Annual Financial Statements
- 11-3. Investment of Funds
- 11-4. Bad Debt Write Off
- 11-5. Replacement Reserves
- 11-6. Program Financing Budget Line Overruns
- 11-7. Rent Collections
- 11-8. Cash Receipts
- 11-9. Personnel Guide
- 11-10. Tenant Files
- 11-11. Minimum Record Retention Schedule
- 11-12. Use of Project funds
- 11-13. Sales Tax or Use Exemption
- 11-14. Revolving Fund
- 11-15. Travel
- 11-16. Membership in Organizations
- 11-17. Identification of Motor Vehicle Equipment
- 11-18. LHA Exemption from State Gasoline Tax
- 11-19. Room Count Basis for Proratable Expenses
- 11-20. Guidance on Marijuana
- 11-21. Grievance Procedures
- 11-22. Tenant Selection Plan
- 11-23. Prohibition of Minors in State-Financed Elderly Housing

#### **CHFA Housing Releases pertain only to local housing authorities.**

- CHFA-HA-101 Commissioners
- CHFA-HA-102 Directory
- CHFA-HA-103 Conflict of Interest
- CHFA-HA-104 By Laws
- CHFA-HA-105 Meetings
- CHFA-HA-106 Minutes
- CHFA-HA-107 Annual Report

## 11-1. Insurance Requirements

### a. Required Coverages

1. Owners and all contractors working on the CHFA financed projects or properties must obtain the coverages listed on the CHFA website.

Insurance Requirements for Housing Authorities:

[https://www.chfa.org/assets/1/19/-\\_State\\_Housing\\_Portfolio\\_-\\_Insurance\\_Requirements\\_for\\_Housing\\_Authorities.pdf?13879](https://www.chfa.org/assets/1/19/-_State_Housing_Portfolio_-_Insurance_Requirements_for_Housing_Authorities.pdf?13879)

Insurance Requirements for Non-Profit and For Profit Properties:

[https://www.chfa.org/assets/1/19/-\\_State\\_Housing\\_Portfolio\\_-\\_Insurance\\_Requirements\\_for\\_Non\\_Profit\\_and\\_Profit.pdf?13880](https://www.chfa.org/assets/1/19/-_State_Housing_Portfolio_-_Insurance_Requirements_for_Non_Profit_and_Profit.pdf?13880)

2. Insurance Certificates listing all the required coverages must be obtained and submitted to the CHFA.
3. Insurance Premiums Chargeable to the Project. Only the Owner's insurance premiums are chargeable to the project as an operating expense. Managing Agents cannot charge their insurance premiums to the project as an operating expense and must pay the premiums from their own funds.
4. Insurance will be obtained at the lowest premium cost consistent with required coverages.
5. The Named Insured, Additional Insured/Certificate Holder and Property Location must be listed in the following manner on each certificate:

#### **Named Insured**

Owner Name

A.T.I.M.A (As Their Interest May Appear)

Owner Address

#### **Additional Insured/Certificate**

##### **Holder**

Administration

State Housing Portfolio

CHFA

A.T.I.M.A.

999 West Street

Rocky Hill, CT 06067

#### **COPY THE CHFA ON INSURANCE NOTIFICATION**

### b. Records

The owner will maintain an insurance record in accordance with the provisions of the CHFA's Accounting Manual and maintain an insurance file containing the following:

- a. A copy of each insurance policy currently in force.

- b. A copy of each expired policy for the previous five years.
- c. The insurer's claim kits with forms, instructions and points of contact.
- d. A file for each loss and claim. This is a permanent record regardless of the disposition of the claim.

## **INSURANCE MANUAL**

### **I. Introduction**

When you finance the purchase of a car, what does the lender require? When you purchase a home and take out a mortgage, what does the mortgagee require? If you guessed insurance, you guessed correctly. The lenders are listed on your insurance policies as a requirement for their loans. In case of loss, their money will be protected. They have an **INSURED INTEREST**.

The Connecticut Housing Finance Authority "the Authority" **INSURED INTEREST** goes beyond money, we want to be assured that if tenants are displaced because of damage, they will be able to return as quickly as possible to their homes.

The only way to protect everyone's insured interest is through **INSURANCE**. Insurance requirements set up by the Authority are designed to protect everyone's insured interest in all stages, exposures, and instances.

**IMPORANT:** It is required that all the insurance/surety companies that issue insurance policies have a Best Rating of **B+ or better and are licensed to do business in the State of Connecticut.**

The A. M. Best Company is an approved Insurance Industry leader that reviews methods and procedures to analyze and evaluate the financial performance and stability of insurance companies. The **A. M. BEST RATING GUIDE** also verifies if the insurance company is licensed in the State of Connecticut. This publication is available in most public libraries.

### **II. Types of Insurance and Bonds**

**A. LIABILITY INSURANCE:** Any form of coverage whereby the insured is protected against claims from other parties. The insured's liability for damages under such coverage usually results from their negligence or accused negligence (attorneys' fees - important item). The following are forms of liability insurance:

**1. Occurrence Form:** An accident or a series of incidents happening over a period of time that will collectively result in personal injury or property damage.

**2. Claim-made Form:** A claim must be reported within the policy period, or there is not any coverage, the same claim in the above example would not have any coverage.

**3. Non-Owned and Hired Auto:** Must be endorsed to the basic liability policy. The following are descriptions of Auto coverages and designation symbols:

### Symbol and Description of Coverage

- a. Any Auto**
- b. Owned Auto Only:** Only those autos you own (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos whose ownership you acquire after the policy begins.
- c. Owned Private Passenger Auto Only:** Only the private passenger auto(s) you own. This includes private passenger auto(s) whose ownership you acquire after the policy begins.
- d. Owned Auto Other Than Private Passenger Auto Only:** Only those autos you own which are not of the private passenger type (and for liability coverage of any trailers you do not own while attached to power units you do own). This includes those autos, not of the private passenger type, whose ownership you acquire after the policy begins.
- e. Owned Auto Subject to No Fault:** Only those autos you own for which you are required to have No-Fault Benefits in the state where they are licensed or principally garaged. This includes those autos whose ownership you acquire after the policy begins provided you are required to have No-Fault Benefits in the state where they are licensed or principally garaged.
- f. Owned Auto Subject to a Compulsory Uninsured Motorist Law:** Only those autos you own for which, because of the law in the state where they are licensed or principally garaged, you are required to have and cannot reject uninsured motorist insurance. This includes those autos whose ownership you acquire after the policy begins provided, they are subject to the same uninsured motorist requirement.
- g. Specifically Described Autos:** Only those autos described in "4" above for which a premium charge is shown (and for liability coverage any trailers you don't own while attached to any power unit described in "4" above)
- h. Hired Autos Only:** Only those autos you lease, hire, rent or borrow. This does not include any autos you lease, hire, rent or borrow from any of your employees or members of their households.
- i. Non-Owned Autos Only:** Only those autos you do not own, lease, hire or borrow which are used in connection with your business. This includes

autos owned by your employees or members of their households but only while used in your business or your personal affairs.

**4. Broad Form CGL Endorsement:** A **General Liability** policy is a basic liability policy with minimum coverage. Various endorsements must be added to cover additional exposures. The **Broad Form CGL Endorsement** has twelve additional coverages including contractual liability.

**5. XCU Endorsement (Underground Explosion):** All excavator contractors are required to provide this coverage before signing any contract.

**6. Independent Contractors:** It is required that all contractors and subcontractors carry liability insurance. The General Contractor can add this endorsement to cover all their subcontractors for liability. All contractors and subcontractors are still required to carry Workers Compensation to cover all their employees.

**7. Professional Liability Insurance:** Professionals such as Lawyers, Architects, Surveyors, etc. must have this insurance. It covers direct monetary loss and expense from a Lawyer, Architect, Surveyor, etc. or firm arising from claims for alleged neglect, error, or omission in the performance of services in a professional capacity, (only available on a claims made form). It is important that even a potential claim be reported to the insurance company within the policy period. **Example:** A Surveyor surveys a property and puts in markers and writes up the description. The client builds a house on the property within the markers installed by the surveyors. One year later the owner is sued by the adjoining landowner claiming part of the house was built on their property. It turns out the adjoining landowner is correct and wants to be compensated. The surveyor is responsible for the additional monetary loss under their **Professional Liability** insurance.

**8. Umbrella Liability:** A form of **Excess Liability** insurance that provides very substantial limits of coverage over and above the limits of an underlying liability policy, generally subject to substantial "drop-down" or deductible; Also, a contract that provides coverage against many forms of liability excluded under the typical underlying **Liability Policy**, or not intended to be provided, such a **Personal Injury Liability**.

**B. PROPERTY INSURANCE:** Also known as Fire Insurance and Hazard Insurance. There are many types of **Property Insurance** coverage. The most common two are "**Named Perils**" and "**All Risks**". **Named Perils** specifies the perils which are insured against, as distinguished from the **All Risks**. **Named Perils** policies represent, insured beware.

With **All Risks**, the insured is protected from direct loss arising from any forthwith (happening by accident) cause other than those perils or cause specifically excluded by name. This is in contrast to other policies which name the peril or perils insured against. **Example:** An owner has frozen pipes which cause much damage. Under a **Named Peril** policy, since it did not specify frozen pipes, coverage would be denied. Full coverage would be provided under an **All-Risks** policy. This is why the Connecticut Housing Finance Authority requires **All Risks**

coverage. In addition, the following **Endorsements** must be added to **Property All Risks** coverage policies:

**1. Replacement Cost Endorsement or 100% of Replacement Value:** Insurance providing replacement of the damaged property without deduction for depreciation. The usual replacement cost form requires that the property be replaced before the insured may collect a claim. It is primarily available only for buildings, with a few exceptions, and is subject to a co-insurance requirement.

This coverage guarantees that the property will be insured for 100% replacement cost. It also guarantees that a partial loss will be paid in full without penalty for not insuring the property to 80% of its value. When a property is insured for less than 80% of its replacement value, the insured (owner) becomes a Co-insurer (20%). The replacement cost of buildings does not include the land with improvements, utilities and foundation or slab. It is based on the square footage of the living area and a per square foot cost to rebuild.

This is why it is important that the owners have all the information on the building, so that all replacement cost figures are obtained. It also protects the owner from over-insuring the property and over-paying the premium. Remember that the owner will only receive the amount it will cost to replace, even though the owner may be insured for more.

**2. Personal Property Replacement Cost:** Items such as refrigerators, ranges, etc. are not included in the building coverage. It is important that we have evidence of this coverage.

**3. Flood:** If a property is in a designated flood hazard zone, then flood insurance is required. A regular **Property Insurance** policy excludes flood exposure.

**4. Boiler and Machinery:** Insurance against loss arising from the operation of pressure vessels and mechanicals and electrical equipment.

**5. Earthquake:** This is excluded from regular coverage. It is not required, but it is recommended.

**6. Loss of Rental Income:** Coverage for loss of income in case of fire, windstorm, etc. to the insured's property. There is a specific time that must be stated, (3 months, 6 months, or 1 year) the longer the coverage the more the premium.

**7. Demolition:** The standard fire policy excludes liability for any loss caused by the demolition of an undamaged portion of the building because of the enforcement of "ordinance or law regulating construction or repair". Insurance against such loss may be provided by a **Demolition Endorsement** or by a **Contingent Form Operation of Building Laws Endorsement**.

**8. Builder's Risk:** Insurance against loss to buildings in course of construction, including materials incidental to construction. **Note:** The contractor is responsible for providing this coverage prior to contract signing. There are two ways to write this coverage, either a

**Reporting Value Form** or a **Completed Value Form**. The Department will only accept a Completed Value Form.

The contractor is responsible for this coverage only up to when a **Certificate of Occupancy (CO)** (whether temporary or permanent) is issued. Prior to the CO being issued, it is imperative that the owner has **Property Insurance** in place as well as all other required coverage.

## **C. PUBLIC OFFICIALS LIABILITY/DIRECTORS AND OFFICERS LIABILITY INSURANCE**

**1. Public Officials Liability:** Section 8-41a of Connecticut General Statutes stipulates the responsibility of housing authorities in relationship to their commissioners. This section states, " Each housing authority shall protect and save harmless any commissioner or any full-time or part-time employee of such authority from financial loss and expense, including legal fees and cost, if any arising out of any claims, demand, suit or judgment by reason of alleged negligence, or for alleged infringement of any person's civil rights, on the part of such commissioner or such employee while acting in the discharge of their duties". The only way to economically provide what the law requires is through a **Public Officials Liability Insurance Policy**. Only available on a **Claim-Made Form**. Any possible claim must be reported within the policy period.

**2. Directors and Officers Liability:** Is required when an Organization, Business, etc. is incorporated. It provides similar coverage to Public Officials Liability. Only available on a **Claim-Made Form**. Any possible claim must be reported within the policy period.

## **D. BONDS AND LETTERS OF CREDIT**

**1. Fidelity Bond:** Is required and will reimburse an employer (the insured) for loss sustained by them because of any dishonest act by an employee covered by the bond. **Blanket Fidelity Bonds** covers groups of employees. The amount of this coverage should be determined by the exposure. What is the maximum amount that can be stolen by an employee(s) before they get caught? **This is the amount of fidelity coverage that is required.**

**2. Money & Securities:** This coverage is for burglary or holdups where **money** and/or **securities** are stolen. The amount of this coverage is determined by the exposure.

**3. Bid Bond:** Is a guarantee that bids are properly submitted and that obligate the contractor to enter into a contract if it is awarded to them. It is recommended that the owner reserves the right to approve the bid bond in compliance with the owner's requirements. Damages are normally the difference between the low bid and the next lowest bid (rather than the entire amount of the bid bond if it exceeds the difference). The owner must seek recovery if a bidder fails to execute a contract; a bidder fails to provide **Performance** and/or **Payment Bonds** that are required by the terms of the **Bid Bond** and in instances in which a bidder attempts to rescind its bid due to its claim of a mistake.

**4. Performance Bond:** Is a guarantee that the contractor will begin and carry through to completion in accordance with the contract. They are issued in the amount of the contract. **Note:** The Surety generally shares the same amount of liability as the contractor and may utilize the same defenses (although there are additional defenses particular to the Surety such as "material alteration", which can include significant change orders.

**5. Payment Bond:** Guarantee that the subcontractors and suppliers receive payment. These bonds are in the amount of the contract.

**6. Letter of Credit (LOC):** May be used by the general contractor in lieu of bonds. An LOC is issued by a bank guaranteeing the payment of general contractor's drafts up to a stated amount. An LOC substitutes the bank's credit for that of another. Any LOC must be unified and irrevocable; and must be from institutions with an acceptable rating from Standard & Poors, Moody's, Keefe, Bruyette and Woods or Lacey bank rating.

**E. WORKERS COMPENSATION INSURANCE:** It is statutory that employers carry this insurance. This provides coverage for an employee who is injured on the job. 100% of medical expenses (including rehabilitation) are covered as well as a percentage of the individual's gross salary.

Except as noted below, it is **mandatory** that all individuals (Contractors, Sub-Contractors, Managers, Agencies, Lawyers, Surveyors, Engineers, Architects, etc.) that are directly or indirectly involved with your project must carry **Workers Compensation Insurance**.

**Effective June 4, 1996, Connecticut General Statute Section 31-275 allows:** (1) an officer of a corporation or a partner in a partnership **may be** excluded under this section; and (2) a sole proprietor is **excluded** from having to carry workers compensation insurance. In both cases, any employees of the corporation, partnership or sole proprietorship **must** be covered under this section.

The CHFA recommends obtaining a copy of Form 6B (for an officer of a corporation) and/or Form 6B-1 (for a partner in a partnership) filed with the Commissioner of Workers Compensation. Furthermore, the CHFA recommends that sole proprietorships acknowledge that they are aware that Workers Compensation is available, but they elect not to carry it. **The decision to follow the CHFA's recommendation is at the sole discretion of the Owner.**

**F. TITLE INSURANCE:** The CHFA requires the seller to deliver a marketable title and a policy of title insurance. This coverage protects the mortgagee, mortgagor, and all interested parties against loss due to the negligence of an individual (usually attorney) who, after a title search fails to correctly identify problems with the title. The attorney's **Professional Liability Policy is Claim-made Form**. Therefore, if a claim was reported after their **Professional Liability** ran out, the only place where coverage would be provided would be under Title **Insurance**.

**G. OWNER'S TITLE INSURANCE:** The CHFA requires the seller to deliver a marketable title and a policy of title insurance. This coverage protects the owner and all interested parties, when grant funds only are used, against loss due to the negligence of an individual (usually attorney) who, after a title search fails to correctly identify problems with the title. The attorney's **Professional Liability Policy** is **Claim-made Form**. Therefore, if a claim was reported after their **Professional Liability** ran out, the only place where coverage would be provided would be under the **Owner's Title Insurance**.

**H. ENVIRONMENTAL INSURANCE:** This policy covers the cost of investigating and re-editing certain environmental conditions not **discovered** in an Environmental Assessment Report accepted by the insurer. This is a **Claim-made Form**. The insurance policy transfers the risk of the unknown hazard to the insurer. This relieves the owner of the onus that comes with the suddenly discovered hazardous substance conditions during the policy period.

### **III. Certificate of Insurance**

**A.** What is a Certificate of Insurance? It is evidence that an insurance policy has been issued when signed by an authorized representative. The certificate shows types of insurance, policy number, effective dates and amounts of coverage. **Binders are not acceptable.**

### **IV. The CHFA Asset Management Division**

**A.** The insurance requirements for the programs administered by the CHFA Asset Management Division are essentially the same for all **Owners**.

**B.** The following reiterates and highlights the Connecticut Housing Finance Authority's ("the Authority") insurance requirements for the Asset Management Division:

- 1.** All Insurance Policies for which the Authority has an insurable interest must include the following endorsement:

Administration  
State Housing Portfolio  
CHFA  
999 West Street  
Rocky Hill, CT 06067-4005

- 2.** All Certificates of Insurance must contain the project name, address, and the Authority's project number. This will ensure that all copies of policies, changes and notifications are properly forwarded to the Authority.
- 3.** All Certificates of Insurance must specify that the Authority will receive thirty (30) days written notice for non-renewal or cancellation. The Authority shall be named as an additional insured for the required insurances.

4. All **Owners** must meet the insurance requirements identified below. Only Housing Authorities have the option to
  - a. be included in the Authority's Master policy through DAS, or
  - b. provide the same coverage for the same cost or less by another insurance company.
5. All insurance policies coverage must be kept per the latest requirements of the Authority which can be found on the CHFA website. All independent contractors hired by an Owner must provide evidence of the insurances required by the Authority.
6. Any claims or potential claims must be reported immediately to the insurance agent and the Authority and must subsequently be confirmed in writing to same. **Note:** It is important to make sure claims are made in the manner and within the time frames provided in each policy.
7. The Authority will not pay for any insurance coverage more than the amount required.
8. All Insurance Companies that provide coverage for Eligible Developers must have a B+ or better rating as per A. M. Best's Rating Guide --- current edition and be licensed to do business in the State of Connecticut.
9. All insurance agencies and/or insurance brokers that issue insurance must verify in writing that they carry Errors and Omissions Insurance at the minimum amount of \$1,000,000.

**C.** All Owners are responsible for obtaining the insurance requirements from the Authority's Asset Management Division.

**D.** The following insurance matrix details the various coverage needed during on-going management and if applicable modernization or rehabilitation of the housing development.

## INSURANCE MATRIX

STAGES	RESPONSIBILITY	REQUIRED COVERAGES	MINIMUM LIMITS
Doing business with the DOH/CHFA	1. a. Housing Authority & Municipal Developer	1. a. Public Official Liability	1. a. \$500,000 for 0-99 units built or planned. \$1,000,000 for 100 units or more
	b. Non-Profit Corporation, For-Profit Corporation, General Partner(s) of Limited Partnership (LP) or Limited Liability Company (LLC), if corporation(s) General Partner of LP or LLC is Housing Authority or Non-Profit Corporation	b. Directors & Officers Liability or Resolution (see Manual)	b. \$500,000 for 0-99 units built or planned. \$1,000,000 for 100 units or more
	2. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto		2. \$1,000,000
Upon hiring an employee <b>or</b> sweat equity participants	3. a. Housing Authority	3. a. Worker's Compensation & Employer's Liability	3. a. Bodily Injury by accident \$1,000,000/accident Bodily Injury by disease \$1,000,000/employee. Bodily Injury by disease \$1,000,000 policy limit

<b>STAGES</b>	<b>RESPONSIBILITY</b>	<b>REQUIRED COVERAGES</b>	<b>MINIMUM LIMITS</b>
	b. All other Eligible Developers		b. Bodily Injury by accident \$100,000/accident Bodily Injury by disease \$500,000/employee Bodily Injury by disease \$100,000 policy limit
Upon site control	Eligible Developer	4. Property Insurance, if improvements on site	4. 100% Replacement Cost
		5. Title Insurance	5. Equal to the cost of acquisition & development
		6. Environmental Insurance (Note: Policy not taken out until construction start)	6. 100% coverage, no exclusions unless approved in writing by DECD
		7. Flood Insurance, if site is located in a federally designated Flood Hazard Zone	7. 100% Replacement Cost
		8. Boiler & Machinery Insurance, if applicable	8. 100% Replacement Cost
		9. Earthquake Insurance <b>(Recommended not required)</b>	9. 100% Replacement Cost
		10. Commercial Auto Liability, if applicable	10. \$1,000,000
Upon hiring an Attorney	Attorney	11. Professional Liability	11. \$1,000,000

<b>STAGES</b>	<b>RESPONSIBILITY</b>	<b>REQUIRED COVERAGES</b>	<b>MINIMUM LIMITS</b>
		12. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	12. \$1,000,000
	Attorney	13. Worker's Compensation & Employer's Liability	13. Bodily Injury by accident \$100,000/accident Bodily Injury by disease \$100,000/employee Bodily Injury by disease \$500,000 policy limit
Upon hiring independent contractors \$250,000	Design Professionals, Surveyors, Consultants, & Others	14. Professional Liability	14. For construction cost not exceeding \$999,999. Minimum Coverage (MC) -  \$1 - 2,999,999, MC - \$500,000 \$3 - 4,999,999, MC - \$750,000 \$5,000,000 & up, MC - \$1,000,000
		15. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	15. \$1,000,000
		16. Worker's Compensation & Employer's Liability	16. Bodily Injury by accident \$100,000/accident Bodily Injury by disease \$100,000/employee Bodily Injury by disease \$500,000 policy limit

<b>STAGES</b>	<b>RESPONSIBILITY</b>	<b>REQUIRED COVERAGES</b>	<b>MINIMUM LIMITS</b>
	Development Consultants	17. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	17. \$1,000,000
	Development Consultants	18. Worker's Compensation & Employer's Liability	18. Bodily Injury by accident \$100,000/accident Bodily Injury by disease \$100,000/employee Bodily Injury by disease \$500,000 policy limit
Upon signing contract for financial assistance	19. a. Housing Authority	19. a. Fidelity Bond	19.a. \$100,000/employee
	b. All other Eligible Developers		b. Commensurate with financial risk
	20. a. Housing Authority	20. a. Monies & Securities	20. a. \$20,000
	b. All other Eligible Developers		b. Commensurate with financial risk
<b>NOTE: Directors &amp; Officers Liability (section 1.b.) must be purchased if you have previously chosen to be personally liable.</b>			
Upon hiring Clerk of the Works, <b>if not an employee</b>	Clerk of the Works	21. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement combined single limits (CSL)	21. For construction cost of \$ 10,001 - 99,999, Minimum Coverage (MC)= \$100,000 SL \$100,000 - 499,999, MC = \$300,000 CSL \$500,000 - 999,999, MC = \$500,000 CSL \$1,000,000 and up, MC = \$1,000,000 CSL

<b>STAGES</b>	<b>RESPONSIBILITY</b>	<b>REQUIRED COVERAGES</b>	<b>MINIMUM LIMITS</b>
		22. Commercial Auto Liability, if applicable	22. \$1,000,000
	Clerk of the Works	23. Worker's Compensation & Employer's Liability	23. Bodily Injury by accident \$100,000/accident Bodily Injury by disease \$100,000/employee Bodily Injury by disease \$500,000 policy limit
At Bid	Bidders	24. Bid Bond or irrevocable Letter of Credit (LOC)	24. 5% of bid amount
Upon signing construction contract	Contractor	25. Performance & Payment Bonds or irrevocable & unified LOC to 25% of	25. Amount of the bond must equal to construction contract or the LOC be equal the construction contract.
		26. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	26. \$1,000,000
		27. Commercial Auto Liability, if applicable	27. \$1,000,000
		28. Contractor's Protective Liability	28. \$1,000,000

STAGES	RESPONSIBILITY	REQUIRED COVERAGES	MINIMUM LIMITS
		29. Worker's Compensation & Employer's Liability Note: when lead based and/or asbestos abatement work is undertaken, direct & indirect damages arising from these activities must be covered.	29. Bodily Injury by accident \$1,000,000/accident Bodily Injury by disease \$1,000,000/employee Bodily Injury by disease \$1,000,000 policy limit <b>or</b> <b>\$100,000/\$500,000/\$100,000</b> <b>when not involving hazardous material abatement</b>
		30. Certificates of insurance for all subcontractors' Workers Compensation & Employer's Liability Note: when lead based and/or asbestos abatement work is undertaken, direct & indirect damages arising from these activities must be covered.	30. Bodily Injury by accident \$1,000,000/accident Bodily Injury by disease \$1,000,000/employee Bodily Injury by disease \$1,000,000/employee <b>or</b> <b>\$100,000/\$500,000/\$100,000</b> <b>when not involving hazardous materials abatement</b>
		31. Builder's Risk Policy, Completed Value Form	31. 100% Replacement Cost
		32. X.C.U. Liability Endorsement, when any digging is required	32. \$1,000,000

<b>STAGES</b>	<b>RESPONSIBILITY</b>	<b>REQUIRED COVERAGES</b>	<b>MINIMUM LIMITS</b>
At the issuance of the Certificates of Occupancy and Substantial Completion	Eligible Developer/Owner	33. Property Insurance	33. 100% Replacement Cost
On-going Management	34. a. Housing Authority	34. Fidelity Bond	34. a. \$100,000/employee
	34.b. All Other Owners		34.b. Consider adjusting commensurate with financial risk
	35.a. Housing Authority	35. Monies & Securities	35.a. \$20,000
	35.b. All Other Owners		35.b. Consider adjusting commensurate with financial risk
Upon Hiring Management Firm	All Owners	36. Professional Liability	36. \$1,000,000
		37. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	37. \$1,000,000
		38. Worker's Compensation & Employer's Liability	38. Bodily Injury by accident \$100,000/accident; Bodily Injury by disease \$100,000/employee; Bodily Injury by disease \$500,000 policy limit
		39. Fidelity Bond	39. Commensurate with financial risk

STAGES	RESPONSIBILITY	REQUIRED COVERAGES	MINIMUM LIMITS
Upon signing Rehabilitation Contract	Contractor	40. Monies & Securities	40. Commensurate with financial risk
		41. Commercial Auto Liability if applicable	41. \$1,000,000
		42. Performance & Payment Bonds or irrevocable & unified LOC	42. Amount of the Bond must equal to construction be equal to 25% of the rehab contract
		43. Comprehensive General Liability Occurrence Form with Broad Form CGL Endorsement and Non-owned & Hired Auto	43. \$1,000,000
		44. Commercial Auto Liability, if applicable	44. \$1,000,000
		45. Contractor's Protective Liability	45. \$1,000,000
		46. Worker's Comprehensive & Employer's Liability <b>Note: when lead based and/or asbestos abatement work is undertaken, direct &amp; indirect damages arising from these activities must be covered</b>	46. Bodily Injury by accident \$1,000,000/accident; Bodily Injury by disease \$1,000,000/employee Bodily Injury by disease \$1,000,000 policy limit <b>Or</b> \$100,000/\$500,000/ \$100,000 when not involving hazardous material abatement

STAGES	RESPONSIBILITY	REQUIRED COVERAGES	MINIMUM LIMITS
		47. Certificates of insurance for all subcontractors' Workers Compensation & Employers Liability <b>Note: when lead based and/or asbestos abatement work is undertaken, direct &amp; indirect damages arising from these activities must be covered.</b>	47. Bodily Injury by accident \$1,000,000/accident Bodily Injury by disease \$1,000,000/employee Bodily Injury by disease \$1,000,000 policy limit <b>Or</b> \$100,000/\$500,000/\$100,000 when not involving hazardous material abatement
		48. Builder's Risk Policy, Completed Value Form	48. 100% Replacement Cost
		49. X.C.U. Liability Endorsement when any digging is required	49. \$1,000,000

## 11-2. Quarterly and Semi-annual Financial Statements

- a. Reporting is required based on the type of program. With the exception of the State Moderate Rental program, there are no statutory or regulatory references to the frequency of interim reporting. Frequency is based on the CHFA policy and/or prescribed by the Commissioner of Housing. At a minimum, fourth quarter financial statements should be submitted for all programs.
1. **Affordable Housing** and **Elderly** programs follow the CHFA policy and interim financial reports and should be collected for the second and fourth quarters of the fiscal year, or according to performance or as requested by the CHFA asset manager.
  2. **Moderate Rental program** shall report quarterly according to statute.
  3. **Limited Equity Cooperatives (LECs)** shall report semi-annually as prescribed by the Commissioner of Housing.
  4. **Congregate Housing** program shall report quarterly to the Department of Housing as prescribed by the Commissioner of Housing.

**Note:** In lieu of Quarterly financial statements, the Housing for Homeless Program requires an annual program report. Each year, sponsors of homeless projects receive a notice from the CHFA, requiring that the “Annual Report to CHFA, Housing for the Homeless Program” be completed. The narrative-style questionnaire is required in place of annual management plans and periodic financial reporting.

## 11-3. Investment of Funds

- a. In order to guarantee against loss of principal invested, formal investments may be made only in the following:
1. United States Treasury Bills
  2. Bank Certificates of Deposits
  3. Savings Account
  4. State Treasurer’s Investment Fund: When investing funds in the State Treasurer’s Investment Fund, please note the following:
    - The amount invested may be greater than \$100,000.  
The account is non-insured.
  5. Money Market
- b. The amount placed with any one institution shall not be in excess of the Federal Deposit Insurance Corporation (FDIC) limits unless otherwise approved by the CHFA.

## 11-4. Bad Debt Write Off

No write-off of tenants’ accounts receivable to this account may be made without a written request from the Owner with a copy of a Board Resolution and must be a minimum of a year old. The request must specify what efforts were made to collect the amounts due before they were deemed uncollectible **and** must specify the unit number; the tenant’s name and the date the tenant vacated the unit.

### **11-5. Replacement Reserves**

- a. The owner **MUST** record any net **operating gains** or **losses** to this account.
- b. No charges, other than operating losses, shall be made to this account without the prior written approval of the CHFA.

All earnings in excess of two months' operating costs, less reserves, shall be moved to the Replacement Reserve account within 30 days after completion of the year-end financial statement.

### **11-6. Program Financing Budget Line Overruns**

The CHFA recognizes that budget overruns within an approved budget may occur during the rehabilitation of housing units. The approved Program Financing Budget and each line item thereon is the owner's authorization to expend monies for each specific purpose. Any deviation from the Program Financing Budget must be approved by the CHFA. When requesting approval for overruns, the owner should supply information and back up material to explain and justify such overruns.

Annual operating budgets, i.e., management plans, are required for all programs. Operating budgets should be the owner's closest estimate of anticipated costs for the upcoming fiscal year, based on the actual expenses of the previous year's expenses plus any known deviations. For example: last year was a mild winter; expenses for heat and snow removal were less than budgeted. The new proposed budget would allow for expenses greater than the previous year on those two-line items due to the unusual circumstances.

The CHFA considers all Administrative Costs to be controllable. Expenses projected by the owner and approved by the CHFA for salaries, payroll taxes, pensions and medical insurance must remain within the limits of the approved management plan. The CHFA must be notified of any significant increase in these line items, with the owner identifying how the increased items will be absorbed into the current budget.

The CHFA-DOH-Budget-Interim Workbook may be obtained via the CHFA website at <https://www.chfa.org/file.aspx?DocumentId=8746> or from your Asset Manager.

### **11-7. Rent Collection**

It is recommended that each owner formally adopt a Rent Collection Policy. The following is a guideline that may be used in formulating the minimum requirements of the policy:

- a. Location of collection;
- b. Restrictions on collection (e.g., only checks will be accepted, etc.);
- c. Late fees, if applicable, stating amount and when imposed; and
- d. Due date.

Please refer to Landlord/Tenant Law at <https://www.jud.ct.gov/lawlib/law/landlord.htm> for additional guidance.

### **11-8. Cash Receipts**

**The CHFA advises owners/PHA not to accept cash payments.** Should an owner choose to accept cash payments, they must formally adopt a Cash Receipts policy. The following is a guideline that may be used in formulating the minimum requirements of the policy.

- a. Rent receipts are posted to the tenant account ledger cards (or manual/computer records) and the Cash Receipts Journal and deposited fully intact.
- b. Tenant receipts must be issued for all cash payments.
- c. Other receipts (i.e., interest, laundry) shall be recorded as received and fully documented.
- e. Frequency of deposits.
- f. The employee responsible for performing each of the above functions should be clearly designated in the owner's records by job title. The person who will perform these functions in the employee's absence should also be designated by job title.

### **11-9. Personnel Guide**

It is recommended that the owner develop a written Personnel Policy to include the following at a minimum:

- a. Job description
- b. Accrual of Vacation Time and Sick Leave, and any limitations on "carry-over" of accruals from year to year.
- c. Method of payment of accrued vacation time and sick leave upon retirement or termination.
- d. Paid Holidays.
- e. Health and/or Retirement Benefits.
- f. Equal Employment/ Fair Housing
- g. Identity of Interest and Conflict of Interest Policy

### **11-10. Tenant Files**

In maintaining tenant files, we suggest that the left side of the file has the application, emergency contact form, lease, and letters of rent changes. The right side should have income, medical, calculation form, correspondence, and work order(s). If it is a long-term tenant, you will need an additional file(s). Always move the left side information over to the current file in use and label all files accordingly. (Example: File 1 of 2 and File 2 of 2).

- a. Complete and consistently arranged tenant files are essential to the proper administration and review of state-financed housing. All the documents relating to a particular certification should be grouped and arranged according to the following format:
  - 1. Lease or Addendum to Lease;

2. Calculation Worksheet;
3. Income Documentation;
4. Medical Expense Documentation – stapled with calculation worksheet;
5. Other Required Documentation;
6. Move-In/Annual Inspection Report; and
7. Correspondence and any other documents that are not directly related to the tenant's certification should be arranged chronologically above the lease.

b. Documents obtained from the tenants to verify income, medical expenses, etc. should be copied and returned. Keeping bundles or stacks of check stubs, prescription receipts, canceled checks or other original documents in the file is cumbersome and unnecessary.

c. Income verification for each source of income should always be limited to a single, supportive document.

d. Medical expense documentation can be particularly troublesome. The documentation used to verify a tenant's paid medical expenses should be divided into four or more groups:

1. Doctor and Hospital Bills;
2. Medical Insurance (Medicare, Blue Cross, etc.);
3. Prescriptions and other Medicines;
4. Other Medical Expenses

**NOTE:** Each of the above groups should be subtotaled and prefaced with a calculator tape or itemized list to show how the subtotal was determined. Organizing a tenant's medical expenses in this fashion will greatly facilitate the manner in which the total medical expenses can be calculated or entered into the computer and later reviewed. Proof of payment should be provided. Reimbursements should be accounted for as well.

e. Letter Size (9 x 11 <sup>3</sup>/<sub>4</sub>) file folders are too small to accommodate the legal-size documents that are a part of each tenant's file. Legal size (9 x 14 <sup>3</sup>/<sub>4</sub>) file folders should be used instead.

f. All the documents in the files should be securely fastened to the file folders to prevent loss.

## **11-11. Minimum Record Retention Schedule** (Note: Does not apply to Federal Funds)

### **Permanent:**

- Audit Reports
- Adopted budgets
- Tenant Rent and Security Deposit History
- Minutes to Meetings
- Employee Earnings and Tax Records
- Group Insurance Records
- General Ledgers
- Land Files
- Federal, State and Municipal Agreements
- Equipment Records

**Note:** In the event of litigation or other controversy surrounding any of the above, records must be kept until resolved.

### **3 years after Audit:**

- Bank Statements, Check stubs, Canceled Checks, Deposit Slips
- Invoices/Vendor Contracts
- Cash Receipts, Disbursements
- Closed Bank Accounts/CDs
- Payroll Registers, Checks, Journals
- Payroll Ledgers
- Purchase Orders
- General Correspondence
- Expires Insurance Policies

### **5 years after Audit**

- Tenant Applications (as they pertain to Waiting Lists and applicants never housed)
- Tenant Receipts
- Tenant Move-Out and Termination Files

## 11-12. Use of Project Funds

The owner shall not mingle or co-mingle project funds with any of the other funds held by the owner.

The funds collected from rents/carrying charges, laundry receipts, interest, miscellaneous charges, etc., may only be used for project purposes. Advances, loans, or payments from these project funds to any other project or program are strictly prohibited.

Prohibited activities include:

- a. Using project funds from a State financed complex to finance the acquisition or development of another State or Federally financed complex.
- b. Using projects funds from one State financed complex to pay for goods and services used in another State or Federally financed complex.
- c. Using project funds from a State financed complex to cover operating shortfalls (whether temporary or permanent) in another State or Federally financed complex.

**NOTE:** Nothing in this manual should be construed as preventing the owner from establishing the Revolving Fund described in No. 14.

## 11-13. Sales Tax or Use Exemption

Section 12-412(1), C.G.S. states, “Sales of tangible personal property or services to the United States, the State of Connecticut or any of the political subdivisions thereof, or its respective agencies” shall be exempt from payment of sales or use tax.

## 11-14. Revolving Fund

A Revolving Fund is a fund that is set up with a separate bank account and a separate general ledger to facilitate the payment of expenses of a Housing Authority administering more than one program.

Optional: Common expenses should be pro-rated according to the instructions contained in No. 23, Room Count Basis for Proratable Expenses. Time spent is an acceptable means of determining pro-rated expenses.

The purpose of the Revolving Fund is to avoid having to make out a separate check from each program. As noted above, the Revolving Fund is set up with a separate bank account and a separate general ledger. Each project that has bills paid by the Revolving Fund on its behalf must advance funds to the Revolving Fund. This advance should be **approximately** 1 to 1 ½ months of the average amount the Revolving Fund will pay out each month for that particular project. This amount is for the setting up of the account only.

Each month each of the programs participating in the Revolving Fund account must reimburse the Revolving Fund for the expenditures it has paid out on behalf of that program. The payments made by

the Revolving Fund for each project are recorded as accounts receivable in the Revolving Fund General Ledger due from the particular program. Once the particular program has reimbursed the Revolving Fund, the receivable in the Revolving Fund General Ledger can be cleared.

The individual programs participating in the Revolving Fund must record an entry each month to charge the proper cost accounts for the expenditures which the Revolving Fund has made on its behalf and to credit Accounts Payable - Revolving Fund. If the Revolving Fund is reimbursed at the end of the month, the amount of the reimbursement should equal the expenditures made on behalf of the program.

### **11-15. Travel**

Local Housing Authorities receiving State financial assistance may charge administrative expenses for authorized travel.

a. Special or general travel may be authorized by formal action of the Authority to areas beyond the official station (the post of duty designated by the Authority). Travel is reimbursed for actual expense not exceeding the following limits:

1. Transportation -

a. Air Travel: Commissioners and employees shall utilize economy and/or tourist accommodations. First class travel is not allowed, and

b. Automobile: Commissioners and employees using personally owned vehicles will be reimbursed at a rate per mile consistent with the Internal Revenue Service (IRS) or collective bargaining agreements.

2. Hotel - Cost for single occupancy is allowable. If accompanied by a spouse, the difference between a single room rate and the double room rate will be paid by the individual.

3. Meals - The following should only be used as a basic guideline. Each Board of Commissioners should establish limits, adopt them by formal Resolution and update them as required. U.S. General Services Administration (GSA) Schedule may be used as one method or actual receipts.

4. List of taxi/rideshare fares - to and from.

b. When an Authority-owned vehicle is not available for use by the Executive Director or other Authority personnel within the limits of the official station, reimbursement for the use of a personally-owned vehicle shall be at the rate per mile consistent with the IRS.

c. In lieu of payment for mileage, the Authority may allow a reasonable monthly flat rate payment to its personnel who regularly use their personally-owned vehicle for Authority business. Documentation for such a monthly flat rate shall be maintained by the Authority.

d. Flat rate per diem charges for travel are not allowed

### **11-16. Organization Memberships, Meetings, and Training**

a. Expenditures for agency membership dues and fees in organizations shall be considered eligible project costs if:

1. The organization furnishes technical or professional information, training, workshops, or other services beneficial to State financed housing programs.

2. The membership is specifically authorized by the Commissioners of the Authority.

3. The organization is not involved solely in political activity.

b. Project costs may include the costs of individual membership of officials or employees in any organization. Approval is through the budgetary process if local agency membership dues and fees are to be included in project costs. For an organization which has not already been found to qualify under the criteria stated above, it will be necessary for the local agency to submit a justification for the inclusion of the dues and fees in project costs.

c. Attendance at meetings, conventions, conferences, and seminars shall, as approved through the budgetary process, be limited to the number of people necessary to cover the meeting adequately, as authorized, in advance, by board action. When more than one person is authorized to attend such meetings, the local agency's records shall be documented with justification to support the approval of more than one attendee. Generally, the costs of attendance at conferences, conventions, seminars, and meetings of local, regional, or national organizations which are devoted to broad and general interest subjects are not classified as staff training. These costs shall be charged to the regular travel expense account. By the way of distinction, training is concerned primarily with the development of a particular skill through instruction on a systematized basis usually involving a classroom situation and some individual attention to the learner. Advance approval shall be obtained for any service training involving a period of more than one week duration. Approval must be granted by the Local Housing Authority (LHA).

#### **11-17. Identification of Motor Vehicle Equipment**

All motor vehicle equipment such as cars, trucks, tractors, etc., owned and operated by a Local Housing Authority and charged (meaning purchase, repairs and/or insurance coverage) in whole or in part to State financed housing units, shall have the name of the Authority distinctly and permanently painted or imprinted thereon.

#### **11-18. LHA Exemption from State Gasoline Tax**

Local Housing Authorities are exempt from the State Gasoline Tax. Your local dealer should be notified of your exemption in order to make the necessary deductions on your purchases. The Excise Tax Section of the State Tax Department may require a listing of all vehicles and equipment owned by your Authority.

#### **11-19. Room Count Basis for Proratable Expenses**

The room count basis may be used in preparing management plans or operating budgets whenever a housing authority has elderly units along with family. If no elderly units exist, then a unit basis may be used. PHA's may direct cost or pro-rate central costs. PHA's may also follow the HUD project-based accounting method.

The demand for service in projects having a larger number of occupants per unit is more likely, requiring more supervision and maintenance. Thus, to permit the use of the unit count as a basis for proration of certain expenses would be unduly allocating to the elderly housing project certain overhead expenses more properly chargeable to the Moderate and/or Low Rent units.

In determining room count, the CHFA will accept the following:

1. Room Count

- a. a kitchen is one room
  - b. a living room is one room
  - c. a dining room is one room
  - d. a full bath is one-half room (lavatory only is one-quarter room)
  - e. each bedroom or other room is counted as one room
2. An elderly efficiency apartment is considered as two and one-half rooms
  3. An elderly 1 BR is considered three and one-half rooms

### **11-20. Guidance on Marijuana**

Beginning July 1, 2023, adults over the age of 21 in Connecticut are able to grow up to 3 mature and 3 immature marijuana plants in their home. Under the law, plants must be grown indoors and not be visible from the street. People may do so in their primary residence and where individuals under 21 cannot access the plants.

Housing Authorities, and other landlords (property owners/property managers) can pass reasonable rules and regulations and can amend such rules and regulations, but **ONLY** in compliance with state law, and in accordance with the notice provisions of the leases, as well as the rules and regulations governing the operation of those facilities. In other words, the landlord must give the tenants reasonable notice in compliance with the time periods in the lease of the implementation of new rules and if such provisions provide for a comment period, they must follow that as well. And if there are posting requirements, they must follow those as well. It would be the same as changing any other rule or regulation.

It is clear that a Housing Authority or a landlord (property owner/property manager) cannot allow the growth of such plants outside of individual units, as doing so would be an illegal activity under the law. Plants should not be grown in common areas.

With respect to growing such plants inside in compliance with the provisions of the law, there is not really anything directly on point, as this is such a new issue. However, we are not aware of anything that prevent a Housing Authority or a landlord from banning the growth of marijuana plants even inside in compliance with the law, much the same way they can ban smoking, which is an otherwise legal activity.

The most important thing for any Housing Authority or landlord is that such rules must be applied fairly and uniformly to all residents under all circumstances, to avoid any allegations or appearances of discrimination. It is also important to note that their enforcement of any such rule is consistent and uniform.

Please be aware that this is not legal advice, and housing authorities and landlords are encouraged to consult with their legal counsel on any specific policy prior to implementation.

### **11-21. Grievance Procedures**

Every Housing Authority, Non-Profit and For-Profit Owner needs to have a Grievance Procedure in place. Please reference state regulations for guidance. (Sec 8-68f-17)

## 11-22. Tenant Selection Plan

Every Housing Authority, Non-Profit and For-Profit Owner needs to have a Tenant Selection Plan in place. Please reference state regulations for guidance. (Sec 8-37ee-300) There is also a Tenant Selection Plan template on CHFA's website for reference/use.

## 11-23. Prohibition of Minors in State-Financed Elderly Housing

The following is an explanation of the legal basis for this prohibition, and the preferred policies to address it, should circumstances warrant.

Please keep in mind that this relates only to minors in state-assisted elderly housing aka State of Connecticut Housing for Elderly persons (see Part VI of Chapter 128 of the Connecticut General Statutes: hereinafter "CGS").

Discrimination, and exceptions to discrimination are covered under [CGS 46a-64c](#). The fundamental prohibition that keeping children out of elderly housing (see reference in preceding sentence), is not discrimination based on familial status under Connecticut law since CGS 46a-64c(b)(3) provides:

*" The provisions of this section with respect to the prohibition of discrimination on the basis of age shall not apply to minors, to specials discount or other public or private programs to assist persons sixty years of age and older or to housing for older persons as defined in section 46a-64b, provided there is no discrimination on the basis of age among older persons eligible for such housing....."*

Under [CGS 46a-64b](#) (6) "*Housing for older persons*" means housing: (A) *Provided under any state or federal program that the Secretary of the United States Department of Housing and Urban Development determines is specifically designed and operated to assist elderly persons as defined in the state or federal program; or (B) intended for, and solely occupied by, persons sixty-two years of age or older; or (C) intended and operated for occupancy by at least one person fifty-five years of age or older per unit in accordance with the standards set forth in the Fair Housing Act and regulations developed pursuant thereto by the Secretary of the United States Department of Housing and Urban Development.*

State-assisted elderly housing was originally created as housing for older persons, and meets the definition cited above.

### Situational Policy

As happens on occasion, it is possible for a resident of a facility to suddenly become the official legal guardian of a minor. Should this occur, the recommended policy is NOT to bring an eviction action against the resident.

The recommended policy is for the housing authority try to work with the resident to find a more appropriate living arrangement in another housing authority property in that town or a nearby town as soon as is practicable.

## CHFA-HA-101 COMMISSIONERS

The powers of the Housing Authority are vested in the Commissioners by Section 8-41 of the Connecticut General Statutes (C.G.S.). They are jointly responsible and accountable for all the Housing Authority does or fails to do. Commissioners exercise their powers by establishing policies and directing the operation of the Housing Authority in accordance with the powers and responsibilities promulgated in the Section 8-44, C.G.S.

Commissioner Training is required per Public Act 23-207 passed in July 2023. See link: <https://www.cga.ct.gov/2023/act/pa/pdf/2023PA-00207-R00SB-00998-PA.pdf>

A. **Duties of Officers.** The office of the Chairperson is established by Section 8-41, C.G.S. Other offices (Vice-Chairperson, Secretary, Treasurer, and Assistant Treasurer) and their duties are established in the by-laws. Commissioners are selected for office at the annual meeting.

1. **Chairperson.** The first Chairperson of the Housing Authority is designated by the appointing authority. Subsequent Chairpersons are selected at annual meetings. The duties and responsibilities of the Chairperson may include:

- a. Presiding over meetings.
- b. Signing all contracts, deeds, and other legal documents, unless another officer or the Executive Director is designated by resolution to do so.
- c. Acting as the Chief Executive Officer of the Housing Authority if there is no Executive Director.

2. **Vice-Chairperson.** The duties and responsibilities of the Vice-Chairperson may include:

- a. Performing the duties of the Chairperson in their absence.
- b. Acting as Chairperson if the office is vacant.

3. **Secretary.** The office of Secretary held by a Commissioner must not be confused with the Secretary (Executive Director) employed by the Housing Authority under the provisions of Section 8-41, C.G.S. If the Secretary is absent from a meeting, the Chairperson must appoint one of the Commissioners present to be Secretary Pro Tempore. The duties and responsibilities of the Secretary may include:

- a. Recording the minutes of all meetings of the Housing Authority and maintaining its minutes book.
- b. Performing the duties of Chairperson in the absence of the Chairperson and Vice-Chairperson.
- c. Keeping the seal of the Housing Authority and certifying copies of resolutions and other documents.
- d. Performing the duties normally incident to the office of Secretary.

4. **Treasurer.** The duties-and responsibilities of the Treasurer may include:

- a. Signing checks.
- b. Preparing and publishing financial reports and statements.

5. **Assistant Treasurer.** The duties and responsibilities of the Assistant Treasurer may include:

- a. Performing the duties of the Treasurer in their absence.
- b. Acting as Treasurer if the office is vacant.

6. **Tenant Commissioner.** At least one Commissioner of a Housing Authority must be a tenant duly appointed in accordance with the provisions of Section 8-41, C.G.S.

B. **Subsequent Employment.** Section 8-42(b), C.G.S., prohibits a former Commissioner of a Local Housing Authority (LHA) from being employed by that Authority within two years of leaving office.

C. **Public Office.** Section 8-41, C.G.S., prohibits a Commissioner of a LHA from holding any other public office in the municipality, with the exception of the Justice of the Peace and the Registrar of Voters. The Chief Executive Officer - Executive Director of CHFA will require periodic certifications by the municipal clerk that the Commissioners of the LHA have not acceded to another public office since appointment to the Housing Authority.

D. **Public Officials Liability.** Section 8-41a, C.G.S., charges the LHA with the responsibility of protecting its officials (Commissioners, full-time and part-time employees) from financial loss and expense, including legal fees and court costs, resulting from any legal action against an official for negligence or civil rights infringements while acting in the discharge of their duties. The Housing Authority should take the following actions to reduce the likelihood of negligence or misconduct resulting in litigation:

1. Ensure that all Commissioners and the Executive Director have a working knowledge of the Connecticut General Statutes applicable to LHA operations.
2. Ensure that all policies and administrative procedures are established in writing and have been reviewed by legal counsel. The CHFA will, on request, review all policies and procedures promulgated by LHA. The CHFA's review will be a policy review; not to be substituted for a legal review.
3. Ensure that all LHA Commissioners and employees understand policies and procedures.
4. Monitor compliance with established policies and procedures.

E. **Compensation.** Commissioners serve without compensation but may be reimbursed for expenses incurred in the performance of their duties.

F. **Appointment.**

1. **Qualifications.** The appointing authority is responsible to ensure that each Commissioner meets the following requirements in accordance with the provisions of §§8-41 and 8-42, C.G.S.:

- a. Is a resident of the municipality.
- b. Holds no other public office in the municipality.
- c. Has no interest, direct or indirect, in any housing project or in any property included or planned to be included in any project, or any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project of the Housing Authority.

2. **Number.** The Housing Authority consists of five Commissioners.

3. **Term.** The first five Commissioners of a Housing Authority are appointed for terms of one, two, three, four and five years, respectively, so that the term of one Commissioner expires each year. The term begins on the first day of the month following the appointment and terminates on the last day of the month designated for that term (e.g., July 1, 1986, through June 30, 1991). A Commissioner will hold office until their successor is appointed and has qualified. All subsequent appointments are for terms of five years. Vacancies resulting from change of residence, removal, resignation, or death are filled for the unexpired portion of the term.

4. **Certificate of Appointment.** The municipal clerk must provide three certified copies of the appointment with original seals and signatures. One copy is presented to the Commissioner, one

copy is retained by the Housing Authority as a permanent record and one copy is forwarded to the Chief Executive Officer – Executive Director of the CHFA.

5. **Oath of Office.** The oath of office for Commissioners is administered by the municipal clerk in the form prescribed in the first paragraph of Section 1-25, C.G.S.

G. **Removal.**

1. A Commissioner may be removed from office by the appointing authority for one or more of the following reasons in accordance with Section 8-43, C.G.S.:

- a. Inefficiency
- b. Neglect of duty
- c. Misconduct in office

2. A Commissioner should resign from office when they no longer meet the qualifications for appointment specified in Section 8-41, C.G.S. Failure to remain qualified is not specifically addressed as grounds for removal in the statutes. Therefore, removal by the appointing authority of Commissioners who fail to resign in such circumstances must be adjudicated on a case-by-case basis.

3. A Commissioner subject to removal must be given a hearing by the appointing Authority not less than ten days after they are given a copy of the charges against them.

4. The appointing Authority may subpoena any records necessary to investigate the charges against a commissioner. Any person who willfully refuses to produce such records may be fined up to \$500, imprisoned for six months, or both.

5. If a commissioner is removed, a record of the proceedings, including the charges and findings must be filed with the municipal clerk.

**CERTIFICATE OF APPOINTMENT TO THE HOUSING AUTHORITY OF THE (Municipality)**

1. Pursuant to Section 8-41, Connecticut General Statutes. (name) is hereby appointed (First Chairperson) (Commissioner) of the Housing Authority Or the (municipality) for the period (date) through (date), to hold office until their successor is appointed and duly qualified.
2. (name) is a resident of the (municipality).
3. (name) holds no other public office in the (municipality). (Justice of the Peace and Registrar of Voters exempted.)
4. (name) has no interest, direct or indirect, in any housing project or in any property included or planned to be included in any project, or any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project of the Housing Authority of the (municipality).
5. (name) is a tenant who has lived for more than one year in housing (owned) (managed) by the Housing Authority of the (municipality). (Note: this paragraph is applicable to Tenant Commissioners only.)

\_\_\_\_\_  
Date  
Officer

\_\_\_\_\_  
Name/Title of Municipal Chief Executive

**CERTIFICATION**

I, (name), clerk of the (municipality), hereby certify that:

1. (name) has been duly appointed by the (governing body) (title of Chief Executive Officer) of the (municipality) to the office of (First Chairperson) (Commissioner) of the Housing Authority of the (municipality),
2. (name) holds no other public office in the (municipality).
3. I have administered the following oath to (name) on (date):

***You do solemnly (swear)(and sincerely affirm and declare) that you will support the constitution of the United States, and the constitution of the State of Connecticut, so long as you continue a citizen thereof; and that you will faithfully discharge, according to law, the duties of the office of Commissioner of the Housing Authority of the (municipality) to the best of your abilities. (So, help you God.) (Upon the pains and penalties of perjury or false statement.)***

\_\_\_\_\_  
Date  
(seal)

\_\_\_\_\_  
Name  
Clerk

**CHFA-HA-102**  
**Contact Form**

The Local Housing Authority (LHA) must maintain a Contact Form using the format attached. A form must be submitted annually and/or whenever any item of information is changed. One copy of the form must be posted conspicuously in or near the Housing Authority office, and one copy must be forwarded to the CHFA. All information in this form must be completed. If the form does not contain sufficient space, a separate schedule of regular meetings and the annual meeting may be attached, including date, time, and location of meetings. Keep in mind that the annual meeting is the time to approve the annual report and conduct an election of officers. The form can also be downloaded at [https://www.chfa.org/assets/1/19/CHFA\\_Contact\\_Form\\_10-51.pdf?13976](https://www.chfa.org/assets/1/19/CHFA_Contact_Form_10-51.pdf?13976).



### CONTACT FORM

*Please Note: This form is due to CHFA on an annual basis by March 1st or anytime when a change occurs during the year.*

<input type="text"/>	<input type="text"/>
Effective Date	Property Name(s)
	<input type="text"/>
	CHFA # (s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact Name	Select One <input type="text"/>		
<input type="text"/>	Title		
Legal Name of Organization	<input type="text"/>		
<input type="text"/>	Phone Number		
Street Address	<input type="text"/>		
<input type="text"/>	E-Mail Address		
Town	State	Zip Code	

<input type="text"/>	<input type="text"/>
Person Completing Form	Date

To add more contacts attach additional sheets

**CHFA-HA-103**  
**CONFLICT OF INTEREST**

A conflict of interest exists when a commissioner or Executive Director is in a position where their private interests, which includes the interests of their relatives, close friends and business associates, conflict with their public duty.

A. Conflict of interest, as defined by Section 8-42 of the Connecticut General Statutes (C.G.S), includes any interest, direct or indirect, in any of the following:

1. Any housing project owned or managed by the Housing Authority;
2. Any property included or planned to be included in any housing project by the Housing Authority;
3. Any contract or proposed contract for materials or services in connection with Housing Authority operations; and
4. Occupancy of a dwelling unit owned, managed, or assisted by the Housing Authority is not a conflict of interest.

B. A Commissioner must disclose, in writing, any conflict of interest, or the appearance of a conflict of interest, to the Housing Authority. The disclosure must be entered into the minutes of the Authority. Failure to disclose a conflict of interest constitutes misconduct in office under the provisions of Section 8-42, C.G.S., and is grounds for removal from office under Section 8-43, C.G.S.

C. The Chief Executive Officer – Executive Director of the CHFA will, at their discretion, investigate any conflict of interest, or the appearance of conflict of interest.

**CHFA-HA-104**  
**BY-LAWS**

The by-laws of the Local Housing Authority contain basic rules relating to the function of the organization. The by-laws should not include rules of order, standing rules, or recapitulate statutory provisions, unless necessary for clarity. Sample by-laws are attached. As a minimum by-laws should include the following:

1. Description and use of the seal;
2. Election procedures, responsibilities, and duties;
3. Meetings;
  - a. Regular meeting schedule,
  - b. Special meetings,
  - c. Emergency meetings,
  - d. Annual meeting, and
  - e. Conduct of meetings.
4. Quorum;
5. Order of business;
6. Resolutions; and
7. Amendments

**BY-LAWS  
THE HOUSING AUTHORITY  
OF THE \_\_\_\_\_  
OF \_\_\_\_\_**

**ARTICLE I  
The Authority**

Section 1. Name. The name of the Authority shall be “The Housing Authority of the \_  
of \_\_\_\_\_.”

Section 2. Seal. The seal of the Authority shall be in the form of a circle, shall bear the name of the Authority, the year of its activation, and the word “Connecticut”.

Section 3. Composition. The Authority shall consist of five commissioners. The powers of the Authority shall be vested in the commissioners in office.

**ARTICLE II  
Commissioners**

Section 1. Appointment. The commissioners shall be appointed in accordance with the provisions of Section 8-41, Connecticut General Statutes.

Section 2. Term. The term of each commissioner shall be five years, except that initially four of the five commissioners shall be appointed for terms of one, two, three and four years, so that the term of one commissioner will expire each year.

Section 3. Duties. The commissioners shall perform such duties as are incumbent upon them by reason of appointment under the Connecticut General Statutes and shall perform such other duties and functions as may from time to time be required by the Authority or the by-laws, or which may arise by reason of their appointment to serve on committees functioning within the Authority or in cooperation with persons or groups outside the Authority.

Section 4. Compensation. The commissioners shall serve without compensation. From time to time the commissioners may incur expenses incidental to their duties, which may be reimbursed by the Authority.

**ARTICLE III  
Officers and Employees**

Section 1. Officers. The officers of the Authority shall include a Chairperson, a Vice Chairperson, a Secretary, a Treasurer, and an Assistant Treasurer, all of whom shall be commissioners.

Section 2. Selection of Officers. The Chairperson, Vice Chairperson, Secretary, Treasurer and Assistant Treasurer shall be elected at the annual meeting of the Authority and shall hold office for one year, or until their successor is elected and qualified. The first Chairperson of the Authority is selected by the appointing authority of the municipality.

Section 3. Vacancies. In the event of a vacancy occurring in the Authority prior to the normal expiration date of a term, the appointing authority of the municipality shall appoint a replacement who shall serve for the remaining portion of the vacated term.

Section 4. Duties of Officers.

a. Chairperson. The Chairperson shall preside over all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, and other instruments made by the Authority. At each meeting, the Chairperson shall submit recommendations and information as they may consider proper concerning the business affairs and policies of the Authority.

b. Vice Chairperson. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson, and in the case of a vacancy in the office of the Chairperson.

c. Secretary. The Secretary shall record the minutes of all meetings of the Authority and shall perform all other duties normally incident to the office of secretary. At any regular or special meeting, in the absence of the Secretary, a Secretary pro tempore shall be appointed by the Chairperson from among the other Commissioners present. The Secretary shall keep the seal of the Authority and certify all copies of resolutions and other documents.

d. Treasurer. The Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such money under the direction of the Authority, except as otherwise authorized by resolution of the Authority. The Authority may, by resolution, designate one or more Commissioners to countersign such orders and checks, and from time to time qualify, change, or cancel any such designation. The Treasurer shall give bond for the faithful performance of their duties.

e. Assistant Treasurer. The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer, or, in case of a vacancy in the office of the Treasurer, until such vacancy is filled. The Assistant Treasurer shall give bond for the faithful performance of their duties.

Section 5. Executive Director. The Commissioners shall, at their discretion, appoint one person to fill the office of Executive Director for such term and for such compensation as they may fix. In the event of a vacancy occurring in the office of Executive Director, the Commissioners may designate one of their members to serve in such a capacity on a pro tempore basis, without compensation, until such time as a replacement is appointed.

## **ARTICLE IV**

### **Meetings**

Section 1. Regular Meetings. Regular meetings shall be held on the \_\_\_\_\_ of each month in the calendar year, at \_\_\_\_\_ and at such time as may be

designated by resolution, for the transaction of the business of the Authority. Meetings shall be conducted in accordance with the provisions of Chapter 14 of the Connecticut General Statutes.

Section 2. Special Meetings. The Chairperson and two consenting commissioners may call a special meeting for the purpose of transacting any business designated in the call. Notice of a special meeting shall be given not less than 24 hours prior to the time of such meeting by posting a notice of the time and place thereof in the office of the municipal clerk at least 24 hours prior to the date set forth in the call for such meeting. No other business may be transacted at such a special meeting.

Section 3. Emergency Special Meetings. Special meetings may be called in emergencies as in Section 2, but without 24 hours notice. The minutes of emergency special meetings must be filed with the municipal clerk within 72 hours of the meeting and must describe the nature of the emergency which precluded 24 hours notice, and the proceedings of the meeting.

Section 4. Annual Meetings. Annual meetings shall be held on the \_\_\_\_\_ day in \_\_\_\_\_ for the purpose of electing officers, receiving the annual report and for the conduct of such other business as may come before the meeting.

Section 5. Quorum. Three commissioners shall constitute a quorum for the purpose of conducting the business of the Authority and exercising its powers, and for all other purposes, but a smaller number may meet and adjourn from time to time until a quorum is obtained.

Section 6. Order of Business.

a. Regular Meetings. The order of business at regular meetings shall be as follows:

- (1) Roll call;
- (2) Reading and approval of the minutes of the previous regular meeting and any intervening special or emergency special meeting;
- (3) Bills and communications;
- (4) Report of the Executive Director;
- (5) Reports of committees;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

b. Special and Emergency Special Meetings. The order of business at special meetings and emergency special meetings may follow that set forth above or may be restricted to action upon the business for which the special meeting is called, as the commissioners shall determine by vote.

Section 7. Manner of Voting. All questions coming before any meeting of the commissioners shall be presented in the form of motions or resolutions. Questions of substance shall be determined by resolutions, the vote on such resolutions to be by roll call. All resolutions shall be submitted in written form and shall be entered in full in the minute book, with the vote of each commissioner indicated therein. All resolutions shall be chronologically numbered on entry.

**ARTICLE V**  
**Amendments**

The by-laws of the Authority shall be amended only by resolution adopted by the affirmative vote of at least three commissioners of the Authority at a regular or special meeting, held after seven days notice in writing of the substance of the proposed amendment. Written notice shall be sent to each commissioner.

## CHFA-HA-105 MEETINGS

A meeting of the Local Housing Authority is any hearing or other proceeding of a quorum of the Commissioners to discuss or act upon any matter over which the Housing Authority has supervision, control, jurisdiction, or advisory powers. A chance encounter or social gathering not planned or intended for the discussion of business is not considered a meeting. Strategy or negotiation sessions with respect to collective bargaining are not meetings. The definition of meetings and adherence to the schedule of regular meetings and the procedures for special and emergency special meetings are critical to ensuring compliance with the freedom of information provisions of Chapter 14, C.G.S.

### A. Types of Meetings

#### 1. Regular Meetings.

- a. Schedule. The regular meetings of the Authority must be held in accordance with a predetermined, published schedule (i.e., the first and third Wednesdays of each month). This schedule must be adopted by resolution, incorporated in the by-laws, and published in the Directory. A requirement of Section 1-2225, C.G.S is to file the schedule of regular meetings for the ensuing year with the municipal clerk by January 31st of each year. A change in schedule (e.g., from monthly to semimonthly meetings), must be made by resolution and amendment of the by-laws, published in the Directory and filed with the municipal clerk. No meeting can be held sooner than 30 days after the schedule is filed. If a regular meeting date falls on a holiday, the meeting will be held on the next business day in accordance with the provisions of Section 1-230, C.G.S.
- b. Location. The location of regular meetings must be established by resolution and published in the Directory. If the regular meeting place is unsafe or inaccessible, the Chairperson may designate an alternate meeting place. The minutes of any meeting held in an alternate location must be filed with the municipal clerk within 72 hours of the meeting and must include the reasons for the change in location and the full proceedings of the meeting in accordance with the provisions of Section 1-230, C.G.S.
- c. Time. The starting time of the meeting must be established by resolution and published in the Directory.

2. Special Meetings. A special meeting may be called, as required, to handle any business which must be disposed of prior to the next regular meeting in accordance with the provisions of Section 1-225, C.G.S. Notice of the meeting, including time, place and agenda, must be filed with the municipal clerk not less than 24 hours prior to the meeting. Items not on the agenda may not be raised at special meetings. Notice of special meetings must be delivered to the home of each Commissioner prior to the meeting. Commissioners may file a written waiver of the notice requirement with the Secretary of the Housing Authority to permit notice by telephone or other means.
3. Emergency Special Meetings. Special meetings may be called, in emergencies, without 24 hours notice in accordance with Section 1-225, C.G.S. The minutes of emergency special meetings must be filed with the municipal clerk within 72 hours of

- the meeting, and must describe the nature of the emergency which precluded 24 hours notice, and the proceedings of the meeting.
4. Annual Meetings. Annual Meetings are regularly scheduled meetings at which the principal items on the agenda are the election of officers and approval of the Annual Report. The date of the Annual Meeting must be published in the Directory.
  5. Executive Session. An executive session of the Housing Authority is limited to the Commissioners and anyone designated by them to present testimony or opinion pertinent to the subject at hand. An executive session may be held provided two-thirds of the Commissioners present vote to do so, the vote is conducted in public, and the reason for the executive session is stated and recorded in the minutes. Executive sessions are governed by Section 1-231 and 1-225d.
- B. Agenda: The agenda for each meeting must be available in the office of the Housing Authority not less than 24 hours prior to the meeting. If the Housing Authority does not have an office, the agenda must be filed with the municipal clerk in accordance with Section 1-225, C.G.S.

**CHFA-HA-106**  
**MINUTES**

Minutes of all regular meetings, special meetings and emergency special meetings must be kept in a formal minute book with sequentially numbered pages. At a minimum the minutes must include the following:

1. Date of the meeting;
2. Treasurer's report;
3. Disposition of all items on the agenda;
4. Resolutions numbered chronologically;
5. Approval of payment of invoices;
6. Names of all persons in attendance during executive sessions (except job applicants being interviewed);
7. The votes of each Commissioner on all issues; and
8. Signed and dated by the secretary of the Local Housing Authority.

The votes of each Commissioner shall be reduced to writing and made available for public inspection within 48 hours and shall also be recorded in the minutes of the session at which taken, which minutes shall be available for public inspection within seven days of the session to which they refer, as required by Section 1-225, of C.G.S.

**CHFA-HA-107  
ANNUAL REPORT**

The Local Housing Authority must prepare an annual report on its activities in accordance with the provisions of Section 8-63, C.G.S. Normally, the report is included as a part of the annual report of the municipality. In general, the format, content and completion date of the report are prescribed by the municipality. As a minimum, the Housing Authority's portion of the report must contain the following information:

- A. Summary of programs administered by the Housing Authority during the year.
- B. Summary of rehabilitation or modernization work completed, in progress or proposed during the year.
- C. Summary of new projects completed, in progress or proposed during the year.
- D. Summary of legislative or other recommendations made pursuant to Section 8-63, C.G.S.

Distribution of the annual report should be as follows:

- A. File a copy with the municipal clerk in accordance with procedures established by the municipality.
- B. Retain one copy of the report as a permanent public record.
- C. Submit one copy of the report to the DOH upon publication of the Municipal Report.

### Checklist to Track HA Compliance

*Please feel free to print this page and use it to track your current policies and procedures and let it serve as a reminder that other policies should be in place.*

- Investment of Funds
- Allowance for Collection Loss
- Program Financing Budget Line Overruns
- Rent Collections
- Cash Receipts
- Personnel Guide
- Tenant Files
- Minimum Record Retention Schedule
- Use of Project funds
- Use of Funds for other Activities
- Affirmative Action and Fair Housing Requirements
- Directory
- Sales Tax or Use Exemption
- Revolving Fund
- Travel
- Membership in Organizations
- Identification of Motor Vehicle Equipment
- LHA Exemption from State Gasoline Tax
- Room Count Basis for Proratable Expenses (optional)
- Safety and Security Procedures
- Tenant Selection Plan
- Grievance Procedure