

Chart of Changes – Housing Authority of the City of Charleston

July 2025

| Page | Regulation/Policy |
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| Intro-ii | On September 29, 2023, HUD issued Notice PIH 2023-27 to implement sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). The notice supersedes the relevant portion of the guidebook, specifically the chapters on eligibility and occupancy, income determinations, and reexaminations. |
| Intro-iii | <p>The HUD website is https://www.hud.gov/.</p> <p>Guidebooks, handbooks, and other HUD resources may be found at the HUDClips website: https://www.hud.gov/program_offices/administration/hudclips</p> <p>The following is a list of resources helpful to the PHA or referenced in the ACOP, along with their online locations.</p> |
| 1-4 | <ul style="list-style-type: none"> Provide housing that is safe, habitable, functionally adequate, operable, and free of health and safety hazards—in compliance with the National Standards for the Physical Inspection of Real Estate: Inspection Standards (NSPIRE)—for very low- and low-income families. |
| 1-5 | <p>On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs.</p> <p>The Final Rule implementing broad changes to income and assets in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the <i>Federal Register</i> on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule. HUD issued a revised version of the notice on February 2, 2024.</p> |
| 1-6 | The job of the PHA pursuant to HUD regulations is to provide safe, habitable dwelling units to low-income families at an affordable rent. The PHA screens applicants for public housing and, if they are determined to be eligible for the program, the PHA makes an offer of a housing unit. If the applicant accepts the offer, the PHA and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program. |
| 1-8 | <ul style="list-style-type: none"> Maintain properties to the standard of safe, habitable dwelling units (including assuring compliance with National Standards for the Physical Inspection of Real Estate (NSPIRE)) |
| 1-8 | <ul style="list-style-type: none"> Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the ACC, HUD-approved applications for funding, the PHA’s ACOP, and other applicable federal, state and local laws. |
| 1-10 | <ul style="list-style-type: none"> 24 CFR Part 100: The Fair Housing Act |
| 1-12 | Mandatory vs. Discretionary Policy |

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| | HUD makes a distinction between mandatory policies and non-mandatory policies: |
| 1-12 | HUD expects PHAs to develop policies and procedures that align with mandatory policies, clearly stating the optional policies adopted by the PHA. The ACOP consists of mandatory policies and an optional PHA policy. HUD emphasizes the importance of a clearly written and comprehensive ACOP to guide staff in the consistent and clear application of policy. |
| 2-9 | <ul style="list-style-type: none"> Allowing a change in the family's rent due date to correspond with the receipt of the head of household or spouse/cohead's SSI or SSDI benefits |
| 2-16 | <p>2-III.B. ORAL INTERPRETATION</p> <p>The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.</p> <p><u>CHA Policy</u></p> <p>The PHA will utilize Google Translate for interpreter services, which will be used for interviews and email purposes.</p> <p>When exercising the option to conduct remote hearings, however, the PHA will utilize an interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation.</p> <p>Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The PHA, at its discretion, may choose to use the language services even when LEP persons desire to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, the PHA may rely on the minor to serve as the interpreter.</p> <p>The PHA will analyze the various kinds of contacts it has with the public to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.</p> <p>Where feasible and possible, the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.</p> |
| 2-17 | <p><u>CHA Policy</u></p> <p>If it is determined that the PHA serves very few LEP persons and the PHA has very limited resources, the PHA will not develop a written LEP plan but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.</p> <p>If the PHA determines it is appropriate to develop a written LEP plan, the following</p> |

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| | five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan. |
| 3-1 | <p>To be eligible for the public housing program:</p> <ul style="list-style-type: none"> • The applicant family must: <ul style="list-style-type: none"> – Qualify as a family as defined by HUD and the PHA. – Have income at or below HUD-specified income limits. – Qualify on the basis of citizenship or the eligible immigrant status of family members. – Provide social security number information for household members as required. – Consent to the PHA’s collection and use of family information as provided for in PHA-provided consent forms. – Not currently receiving a duplicative subsidy. – Meet net asset and property ownership restriction requirements. |
| 3-1 | <u>Part III: Denial of Admission.</u> This part covers factors related to an applicant’s past or current conduct (e.g., criminal activity) that can cause the PHA to deny admission as well as the asset limitation for public housing. |
| 3-3 | <p>Family</p> <p>To be eligible for admission, an applicant must qualify as a family. <i>Family</i> as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together. Such group includes, but is not limited to, a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.</p> <p><i>Gender Identity</i> means actual or perceived gender characteristics.</p> <p><i>Sexual orientation</i> means homosexuality, heterosexuality, or bisexuality.</p> <p><u>CHA Policy</u></p> <p>A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law.</p> |

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| | Each family must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes. |
| 3-6 | <p>3-I.F. DEPENDENTS AND MINORS [24 CFR 5.603]</p> <p>A <i>minor</i> is a member of the household, other than the head of the head of household or spouse, who is under 18 years of age.</p> |
| 3-9 | <p>3-I.K. FOSTER CHILDREN AND FOSTER ADULTS</p> <p>A <i>foster adult</i> is a member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.</p> <p>A <i>foster child</i> is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.</p> <p>Foster children and foster adults who are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].</p> <p><u>CHA Policy</u></p> <p>A foster child is a child who is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some short-term or long-term foster care arrangement with the custodial agency.</p> <p>Children who are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.</p> |
| 3-12 | <p><u>CHA Policy</u></p> <p>A family's request for a live-in aide may be made either orally or in writing. The PHA will verify the need for a live-in aide, if necessary, with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker, unless the disability-related need is apparent or known to the PHA. For continued approval, the family may be required to submit additional verification at annual reexamination.</p> |
| 3-13 | <p>Using Income Limits for Eligibility [24 CFR 960.201 and Notice PIH 2023-27]</p> <p>Income limits are used to determine eligibility at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a <i>low-income</i> family. Income and net family assets of household</p> |

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| | members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and occupancy standards. |
| 3-17 | <p>3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]</p> <p>The applicant and all members of the applicant’s household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age six has been added to an applicant family within the six months prior to program admission, an otherwise eligible family may be admitted to the program and must disclose and document the child’s SSN within 90 days of admission. A detailed discussion of acceptable documentation is provided in Chapter 7.</p> <p>Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.</p> <p>The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.</p> |
| 3-18 | <p>3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230 and 24 CFR 5.232]</p> <p>HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886-A, Authorization for the Release of Information Privacy Act Notice, the form HUD-52675, Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family’s eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.</p> <p>The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b) and 24 CFR 5.232(a)].</p> <p>However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c)].</p> <p><u>CHA Policy</u></p> <p>The PHA has established a policy that the family’s revocation of consent to allow the PHA to access records from financial institutions will result in the denial of admission or immediate removal from the subsidy program.</p> |

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| | <p>CHA will deny admission or continued subsidy for any family member (over 18) who fails to sign and submit consent forms allowing the PHA to obtain information that the PHA has determined necessary for the administration of the public housing program.</p> <p>If the head of household is the family member who fails to sign and submit consent forms allowing the PHA to access records from financial institutions, the family will be denied admission or immediately removed from the subsidy program.</p> |
| 3-20 | <p>EIV Income Report</p> <p>For each new admission, the PHA is required to review income information in EIV to confirm and validate family-reported income within 120 days after the move-in information is transmitted to HUD. The PHA must print and maintain copies of the reports in the tenant file and resolve any discrepancies with the family.</p> |
| 3-21 | <p>HUD’s Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.</p> |
| 3-24 – 3-25 | <p>3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]</p> <p>There are two circumstances under which a family is ineligible for the program based on asset ownership.</p> <p>First, assistance may not be provided to any family if the family’s net assets exceed the HUD-published asset limitation amount (adjusted annually by HUD).</p> <ul style="list-style-type: none"> • This amount is listed in HUD’s current year Inflation-Adjusted Values tables • \$100,000 for 2024, \$103,200 for 2025 <p>Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:</p> <ul style="list-style-type: none"> • A present ownership interest in the real property; • A legal right to reside in the real property; and • The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property. |

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| | <p>The PHA does not have the discretion not to enforce or provide limited enforcement of the asset limitation at admission. However, the real property restriction does not apply in the following circumstances:</p> <ul style="list-style-type: none"> • Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program; • Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property; • Any family that is offering the property for sale; or • Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking. <ul style="list-style-type: none"> - When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply. <p>A property is considered <i>suitable for occupancy</i> unless the family demonstrates that it:</p> <ul style="list-style-type: none"> • Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.); • Is not sufficient for the size of the family; <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The PHA defines <i>not sufficient for the size of the family</i> as being overcrowded based on the PHA’s occupancy standards in Chapter 5.</p> <ul style="list-style-type: none"> • Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family’s place of work or school would be a hardship to the family, as determined by the PHA or owner); <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">In general, the PHA defines <i>a geographic hardship</i> to include when a family members’ work, school, health care provider, or other necessary service is located an unreasonable distance from the real property or there is a lack of adequate transportation options for the family to access work, school, health care, or other necessary services. The PHA will consider circumstantial details a family faces when determining whether a geographical hardship is present.</p> <ul style="list-style-type: none"> • Is not safe to reside in because of the physical condition of the property (e.g., property’s physical condition poses a risk to the family’s health and safety and the condition of the property cannot be easily remedied); or |
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| | <ul style="list-style-type: none"> Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located. <p>If a family meets one of the above exceptions, the real property is not automatically excluded from the calculation of net family assets. Unless the real property is specifically excluded from net family assets as described in 24 CFR 5.603 and Chapter 6 of this policy, it will be included in net family assets. If the value of that real property brings the net family assets above the HUD-published asset limitation amount, the family is out of compliance with the asset limitation.</p> <p>See Chapter 7 for information on verifying net family assets for purposes of the asset limitation.</p> |
| 3-30 | <p>3-III.E. SCREENING</p> <p>Screening for Eligibility</p> <p>PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records, the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].</p> <p>The PHA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].</p> <p><u>CHA Policy</u></p> <p>The PHA will perform criminal background checks through local law enforcement and/or a third-party vendor for all household members 16 years of age and older.</p> |
| 3-33 - 3-34 | <p>Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]</p> <p>PHAs have a variety of resources available to them for the determination of the suitability of applicants. Generally, PHAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.</p> <p><u>CHA Policy</u></p> <p>In order to determine the suitability of applicants, the PHA will examine applicant history for the past three years. Such background checks will include:</p> <p><i>Past Performance in Meeting Financial Obligations, Especially Rent</i></p> <p>PHA and landlord references for the past three years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the PHA/landlord ever began or completed lease termination for non-payment, and whether tenant-paid utilities were ever disconnected in the unit. PHAs and landlords will be asked if they would rent to the applicant family again.</p> |

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| | <p>Utility company references covering the monthly amount of utilities, late payment, disconnection, return of a utility deposit and whether the applicant can get utilities turned on in their name. (Use of this inquiry will be reserved for applicants applying for units where there are tenant-paid utilities.)</p> <p>If an applicant has no rental payment history, the PHA will check court records of eviction actions and other financial judgments. A lack of credit history or a poor credit rating alone will not disqualify someone from becoming a public housing resident.</p> <p>If previous landlords or the utility company do not respond to requests from the PHA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g., rent receipts, cancelled checks, etc.).</p> <p><i>Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development</i></p> <p>PHA and landlord references for the past three years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.</p> <p>Police and court records within the past three years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction. A record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying activity.</p> |
| 4-5 | <p>4-I.D. PLACEMENT ON THE WAITING LIST</p> <p>The PHA must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the PHA determines the family to be ineligible. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].</p> <p>No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.</p> <p>Ineligible for Placement on the Waiting List</p> |

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| | <p><u>CHA Policy</u></p> <p>If the PHA determines, based on the information provided, that a family is ineligible, the family will be removed from the waiting list. When a family is determined to be ineligible, the PHA will provide online notification of the ineligibility determination within 72 hours of initial application. Applicants shall have access to their application(s) and application status via the applicant portal, RentCafe. The notice will specify the reason(s) for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).</p> <p>Eligible for Placement on the Waiting List</p> <p><u>CHA Policy</u></p> <p>Applicants will be placed on the waiting list according to PHA preference(s) and the date and time their complete application is received by the PHA.</p> <p>The PHA will assign families on the waiting list according to the bedroom size for which a family qualifies, as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to PHA standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.</p> <p>Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the PHA will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.</p> |
| 4-8 | <p>HUD requires that public housing applicants must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].</p> <p><u>CHA Policy</u></p> <p>Applicants on the public housing waiting list are free to apply for any other program the PHA operates when that waiting list is open and receiving new applicants.</p> |
| 4-11 | <p>4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES</p> <p><u>CHA Policy</u></p> <p>While the family is on the waiting list, they must notify the PHA within 10 business days of any changes in family size or composition, preference status, or contact information, including their current residence, mailing address, email address, and phone number. The changes must be updated in RentCafe.</p> |

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| | <p>In the event, the original application was completed via reasonable accommodation (on paper) in place of RentCafe the family must inform the PHA in writing, within 10 business days, of any changes in family size or composition, preference status, or contact information, including their current residence, mailing address, email address, and phone number.</p> <p>Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.</p> |
| 4-12 | <p>Purging the Waiting List</p> <p>The decision to remove an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the PHA's request for information or updates because of the family member's disability, the PHA must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.</p> <p><u>CHA Policy</u></p> <p>The waiting list will be updated as needed to ensure that all applicant information is current and timely.</p> <p>To update the waiting list, the PHA will send an electronic update request to each family on the waiting list to determine whether they remain interested in staying on the waiting list.</p> <p>This update request will be sent to the last email address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list. A letter will be mailed to applicants who have been approved for a reasonable accommodation or who have no email address annotated in the Yardi system.</p> <p>The family's response should be submitted online via RentCafe as the preferred method. Alternatively, the family may contact the PHA by phone or email. Responses must be submitted within the deadline as stated by the PHA. Regardless of the method used, it is the family's responsibility to ensure that the response has been updated in RentCafe before the deadline.</p> <p>If the family fails to respond by the deadline stated by the PHA, the family will be removed from the waiting list without further notice.</p> <p>If, due to a reasonable accommodation or the absence of an email address on file, the update notice is mailed and returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.</p> |

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| | <p>If the notice is returned by the post office with a forwarding address, the notice will be resent to the address indicated. In this case, the update notice must be received within the deadline stated by the PHA. If the family fails to respond within this deadline, the family will be removed from the waiting list without further notice.</p> |
| 4-13 | <p>Removal from the Waiting List</p> <p><u>CHA Policy</u></p> <p>The PHA will remove an applicant from the waiting list upon receipt of a written request from the applicant's family. In such cases, no informal hearing is required.</p> <p>If the PHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list, the family will be removed from the waiting list. An email stating the reason for the removal will be sent via email, and annotated within RentCafe. If no email address is on file, a letter will be mailed to the last known address.</p> <p>If a family is removed from the waiting list because the PHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list, and will inform the family how to request an informal hearing regarding the PHA's decision, if applicable (see Chapter 14) [24 CFR 960.208(a)].</p> |
| 4-15 | <p><u>CHA Policy</u></p> <p>When an applicant or resident family requests a copy of the PHA's tenant selection policies, the PHA will provide copies to them free of charge.</p> <p>Policies designated in the ACOP, can be found on the CHA website (www.chacity.org).</p> |
| 4-16 thru 4-18 | <p>Local Preferences [24 CFR 960.206]</p> <p>PHAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].</p> <p>If the PHA has a Housing Choice Voucher program, the PHA must offer, and if accepted, provide the family a selection preference for an appropriate-sized public housing unit that first becomes available for occupancy after the time period expires for an HCV family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame, and who are unable to lease a new unit within the term of the voucher [24 CFR 982.404(e)(2)].</p> <p><u>CHA Policy</u></p> <p>Local preferences will be aggregated using a system in which each preference will</p> |

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receive an allocation of points. The more preference points an applicant has, the higher the applicant's place on the waiting list.

The PHA will use the following local preferences:

Point System:

Local preferences will be aggregated using a system in which each preference will receive an allocation of points. The more preference points an applicant has, the higher the applicant's place on the waiting list. For example, the Homeless Preference will be equal to three points. The preference for Working Families will be equal to two points. Applicants qualifying for both the Homeless Preference and the Working Preference will thus be assigned a total of five points.

Among applicants who qualify for the same preference, the date and time of application will be used to determine placement on the waiting list.

Homeless Preference [3 points]

Homeless is defined as:

- Assessed as homeless through the Coordinated Entry System
- An individual or family who lacks a fixed, regular and adequate nighttime residence. (Primary nighttime residence that is a public or private place not designed for or ordinarily used as regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground; persons living in a supervised shelter designated to provide temporary living arrangement including hotels and motels paid by a charitable organization or by state, federal or local programs for low-income individuals.
- Any individual or family who is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking and has no nighttime residence, no other residence and lacks the resources or support networks, e.g., family, friends and faith-based or other social networks, to obtain other permanent housing;
- Has met one of these conditions within the 12-month period prior to their eligibility determination.

Verification of homeless preference is described in Chapter 7.

Involuntary Displacement Preference [3 points]

Displaced person(s), individuals or family are considered involuntarily displaced if they are required to vacate housing as a result of:

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| | <ol style="list-style-type: none"> 1. Disaster (fire, flood, earthquake, etc.) that has caused the unit to be uninhabitable as a result of disaster declared or otherwise formally recognized pursuant to Federal Relief Laws. 2. Federal, state or local government action related to code enforcement, public improvements or development. 3. Action by a housing owner which is beyond an applicant's ability to control, and which occurs despite the applicants having met all previous conditions. Conversion of applicant's housing unit to a non-rental or non-residential use Notice to an applicant that he or she must vacate a unit because the owner wants unit for the owner's personal or family use. Sale of a housing unit in which an applicant resides under an agreement that the unit must be vacant when possession is transferred. <p>Violence Against Women's Act (VAWA) [3 points]</p> <p>The PHA will offer a preference to a family in which any family member is a survivor of domestic violence, dating violence, sexual assault, stalking, or human trafficking, such that they are eligible for protection under the VAWA. Verification of an applicant's eligibility for VAWA protection will be required, as well as the applicant's need for expedited housing, which directly relates to such eligibility.</p> <p>Disabled Families [2 points]</p> <p>The PHA will offer a preference to a family that is disabled. HUD defines a disabled family as one whose head, spouse, cohead, or sole member is a person with a disability. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.</p> <p>Elderly Families [1 point]</p> <p>Elderly families are defined as families whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.</p> |
| 4-24 | <p>4-III.C. NOTIFICATION OF SELECTION</p> <p>When the family has been selected from the waiting list, the PHA must notify the family [24 CFR 960.208].</p> <p><u>CHA Policy</u></p> |

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| | <p>The PHA will notify the family by email when they are selected from the waiting list to complete their application for final eligibility. If no email is annotated on file or an approved reasonable accommodation has been annotated, the family will be notified by telephone or mail when they are selected from the waiting list.</p> <p>The notice will inform the family of the following:</p> <p style="padding-left: 40px;">The due date to complete the family’s application in preparation for a unit offer via RentCafe. All required documentation from the family can be updated to RentCafe. For any additional documentation the PHA staff may require, the request will be transmitted utilizing RentCafe and email.</p> <p style="padding-left: 40px;">In the event of a reasonable accommodation, the Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview</p> <p style="padding-left: 40px;">Who is required to attend the interview</p> <p style="padding-left: 40px;">Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation</p> <p style="padding-left: 40px;">Documents that must be provided at the interview to document eligibility for a preference, if applicable</p> <p style="padding-left: 40px;">Other documents and information that should be brought to the interview</p> |
| 4-25 thru 4-26 | <p>4-III.D. THE APPLICATION INTERVIEW</p> <p>HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.</p> <p>Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2018-24].</p> <p>Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].</p> <p><u>CHA Policy</u></p> <p>Families selected from the waiting list are required to participate in an eligibility interview. The eligibility interview will be conducted via RentCafe.</p> <p>Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 30 days. If not all household members have disclosed their SSNs at the end of the 30-day period the family will be removed from the waiting list.</p> |

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If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the selection process will progress. If the PHA determines the family is not eligible for the preference, the interview will not proceed, and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PHA will notify the family with a list of items that must be submitted via RentCafe or email.

In the event, a reasonable accommodation has been approved for an eligibility interview may be accomplished in-person.

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

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time.

Applicants who fail to attend two scheduled interviews without PHA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested, and their

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| | <p>application will be made inactive. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination, therefore the PHA will not offer an informal hearing.</p> <p>An advocate, interpreter, or other assistant may assist the family with the application and the interview process.</p> <p>Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide interpretation services in accordance with Chapter 2.</p> |
| 4-27 | <p>4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]</p> <p>The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).</p> <p>When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].</p> <p><u>CHA Policy</u></p> <p>The PHA will notify a family by email, mail, or telephone of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.</p> <p>The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].</p> <p><u>CHA Policy</u></p> <p>If the PHA determines that the family is ineligible, the PHA will send notification by email or mail of the ineligibility determination within 10 business days of the determination. The notice will specify the reason(s) for ineligibility and will inform the family of its right to request an informal hearing (see Chapter 14), if applicable.</p> |
| 5-4 | <p>Processing of Exceptions</p> <p><u>CHA Policy</u></p> <p>All requests for exceptions to the occupancy standards must be submitted in writing, which may include email.</p> <p>In the case of a request for exception as a reasonable accommodation, the PHA shall require the applicant or resident to make the request in writing using a reasonable accommodation request form, the ADA/504 Certification Form. However, the PHA will consider the exception request any time the applicant or resident indicates that an accommodation is needed, whether or not a formal written request is submitted.</p> |

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| 6-1 | <p style="text-align: center;">Chapter 6</p> <p style="text-align: center;">INCOME AND RENT DETERMINATIONS UNDER HOTMA 102/104</p> <p style="text-align: center;">[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]</p> <p>INTRODUCTION</p> <p>This chapter is applicable upon the PHA’s HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 6.A. of the model policy.</p> <p>A family’s annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family’s rent payment. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in four parts as follows:</p> <p style="padding-left: 40px;"><u>Part I: Annual Income.</u> HUD regulations specify the sources of income which are excluded from the family’s annual income. These requirements and PHA policies for calculating annual income are found in Part I.</p> <p style="padding-left: 40px;"><u>Part II: Assets.</u> HUD regulations specify the types of assets which are excluded from a family’s annual income. These requirements and PHA policies for calculating income from assets are found in Part II.</p> <p style="padding-left: 40px;"><u>Part III: Adjusted Income.</u> Once annual income has been established, HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to adopt additional permissive deductions. These requirements and PHA policies for calculating adjusted income are found in Part III.</p> <p style="padding-left: 40px;"><u>Part IV: Calculating Rent.</u> This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family’s choice of rent.</p> |
| 6-3 | <p style="text-align: center;">PART I: ANNUAL INCOME</p> <p>6-1.A. OVERVIEW [24 CFR 5.609]</p> <p>Annual income includes:</p> <ul style="list-style-type: none"> • All amounts, not specifically excluded in 24 CFR 5.609(b); • All amounts received from all sources (other than those specifically excluded in 24 CFR 5.609(b)) by each member of the family who is 18 years of age or older or is the head of household or spouse; |

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| | <ul style="list-style-type: none"> • Unearned income (other than those sources specifically excluded in 24 CFR 5.609(b)) by or on behalf of each dependent who is under 18 years of age; and • Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds the HUD-published threshold amount (adjusted annually and published in HUD’s Inflation-Adjusted Values tables) and the actual returns from a given asset cannot be calculated. <p>In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.</p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but did not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. However, when a family member’s wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family’s annual income [Notice PIH 2023-27].</p> <p>Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of assets.</p> <p>The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:</p> <ul style="list-style-type: none"> • Annual Income Full Definition (Exhibit 6-1) • Treatment of Family Assets (Exhibit 6-2) • The Effect of Welfare Benefit Reduction (Exhibit 6-3) <p>Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.</p> |
| 6-4 | <p>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</p> <p>Overview</p> <p>Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition in accordance with HUD regulations and PHA policies in Chapter 9. The rules</p> |

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| | <p>on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.</p> <table border="1" data-bbox="284 373 1458 1060"> <thead> <tr> <th colspan="2">Summary of Income Included and Excluded by Person</th></tr> </thead> <tbody> <tr> <td>Live-in aides</td><td>Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].</td></tr> <tr> <td>Foster child or foster adult</td><td>Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].</td></tr> <tr> <td>Head, spouse, or cohead Other adult family members</td><td>All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].</td></tr> <tr> <td>Minors</td><td>Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included.</td></tr> <tr> <td>Full-time students 18 years of age or older (not head, spouse, or cohead)</td><td>Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.</td></tr> </tbody> </table> | Summary of Income Included and Excluded by Person | | Live-in aides | Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)]. | Foster child or foster adult | Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)]. | Head, spouse, or cohead Other adult family members | All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)]. | Minors | Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included. | Full-time students 18 years of age or older (not head, spouse, or cohead) | Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included. |
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| Summary of Income Included and Excluded by Person | | | | | | | | | | | | | |
| Live-in aides | Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)]. | | | | | | | | | | | | |
| Foster child or foster adult | Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)]. | | | | | | | | | | | | |
| Head, spouse, or cohead Other adult family members | All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)]. | | | | | | | | | | | | |
| Minors | Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included. | | | | | | | | | | | | |
| Full-time students 18 years of age or older (not head, spouse, or cohead) | Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included. | | | | | | | | | | | | |
| 6-5 | <p>Temporarily Absent Family Members</p> <p>The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence.</p> <p><u>PHA Policy</u></p> <p>Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.</p> <p>Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.</p> | | | | | | | | | | | | |
| 6-5 | <p><i>Absences Due to Placement in Foster Care</i></p> <p>Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].</p> <p><u>PHA Policy</u></p> | | | | | | | | | | | | |

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| | <p>If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will continue to be counted as a family member.</p> |
| 6-6 | <p><i>Family Members Confined for Medical Reasons</i></p> <p>If a family member is confined to a nursing home or hospital on a permanent basis, PHAs may determine that that person is no longer a member of the assisted household, and the income of that person is not counted [New PH OCC GB, <i>Income Determinations</i>, p. 12].</p> <p><u>PHA Policy</u></p> <p>The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.</p> <p>When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.</p> |
| 6-8 thru 6-9 | <p>6-I.C. CALCULATING ANNUAL INCOME</p> <p>The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.</p> <p>Anticipating Annual Income [24 CFR 5.609(c)(1)]</p> <p>At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.</p> <p><u>PHA Policy</u></p> <p>When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.</p> <p>Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.</p> |

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| | <p>In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.</p> <p><i>Known Changes in Income</i></p> <p>If the PHA verifies an upcoming increase or decrease in income at admission or interim reexamination, annual income will be projected by applying each income amount to the appropriate part of the 12-month period.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the new admission or interim reexamination. In such a case the PHA would calculate annual income as follows: $(\\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.</p> </div> <p>The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then, should the change in income require the PHA to conduct an interim reexamination, conduct an interim reexamination in accordance with PHA policy in Chapter 9.</p> <p>Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2); Notice PIH 2023-27]</p> <p>At annual reexamination, except where the PHA uses a streamlined income determination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 9 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rent. Policies related to conducting annual reexaminations are located in Chapter 9.</p> |
| 6-10 thru 6-11 | <p>6-I.D. EARNED INCOME</p> <p><i>Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]</i></p> <p>The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].</p> <p><i>Earned income</i> means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and</p> |

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governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b)]. Income earned as a day laborer is not considered nonrecurring income.

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b)]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27]. Income earned as a seasonal worker is not considered nonrecurring income.

PHA Policy

The PHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.

For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

Earnings of a Minor [24 CFR 5.609(b)(3)]

A minor is a member of the family, other than the head of household or spouse, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Earned Income of Full-Time Students [24 CFR 5.609(b)(14)]

The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR

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| | 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, <i>Lease Requirements</i> , p. 5]. |
| 6-12 | <p>6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255; Streamlining Final Rule (SFR) Federal Register 3/8/16; Notice PIH 2023-27]</p> <p>HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.</p> <p><i>Lifetime Limitation</i></p> <p>The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance. The EID will sunset on January 1, 2026. In no circumstances will a family member’s exclusion period continue past January 1, 2026.</p> <p>Individual Savings Accounts [24 CFR 960.255(d)]</p> <p>The PHA may, but is not required to, establish a policy to offer a qualified family paying income-based rent an ISA instead of being given the EID.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The PHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.</p> |
| 6-13 | <p>6-I.F. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]</p> <p>Annual income includes “net income from the operation of a business or profession. <i>Net income</i> is gross income minus business expenses that allows the business to operate. <i>Gross income</i> is all income amounts received into the business, prior to the deduction of business expenses.</p> <p>Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. 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.”</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> |

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| | <p>To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.</p> <p>Independent Contractors</p> <p>Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 2.609 (b)(24)].</p> <p>An <i>independent contractor</i> is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income.</p> |
| 6-13 | <p>Assets Owned by a Business Entity</p> <p>If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family’s asset is their ownership stake in the business, not some portion of the business’s assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].</p> |
| 6-15 through 6-18 | <p>6-I.G. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]</p> <p>The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA), which must be excluded from the family’s annual income [24 CFR 5.609(b)(9)(i)].</p> <p>Examples of assistance under title IV of the HEA include:</p> <ul style="list-style-type: none"> • Federal Pell Grants; • Teach Grants; • Federal Work Study Programs; • Federal Perkins Loans; • Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or • Bureau of Indian Affairs/Education student assistance programs <ul style="list-style-type: none"> - The Higher Education Tribal Grant - The Tribally Controlled Colleges or Universities Grant Program |

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The second category is any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education (not otherwise excluded by the Federally mandated income exclusions) [24 CFR 5.609(b)(9)(ii)]. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is included in income.

Actual covered costs are defined as the actual costs of:

- Tuition, books, and supplies;
- Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the educational institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance, does not include:

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- Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

PHA Policy

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family's annual income. The PHA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The PHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

Example 1

- Actual covered costs: \$20,000
- Other student financial assistance: \$25,000
- Excluded income: \$20,000 (\$25,000 in financial assistance - \$20,000 in actual covered costs)
- Included income: \$5,000

When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the

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HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs. If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

- Actual covered costs: \$25,000
- Title IV HEA assistance: \$26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: \$5,000
- Excluded income: The entire Title IV HEA assistance of \$26,000
- Included income: All other financial assistance of \$5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

Example 3

- Actual covered costs: \$22,000
- Title IV HEA assistance: \$15,000
- The remaining amount not covered by Title IV HEA assistance is \$7,000 (\$22,000 in actual covered costs - \$15,000 in Title IV HEA assistance).
- Other Student Financial Assistance: \$5,000
- \$7,000 in remaining actual covered costs - \$5,000 in other financial assistance
- Excluded income: \$15,000 entire amount of the Title IV HEA Assistance + \$5,000 in other financial assistance
- Included income: \$0

Example 4

- Actual covered costs: \$18,000
- Title IV HEA Assistance: \$15,000

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| | <ul style="list-style-type: none"> • The remaining amount not covered by Title IV HEA assistance is \$3,000 (\$18,000 in actual covered costs - \$15,000 in Title IV HEA Assistance) • Other student Financial Assistance: \$5,000 • When other student financial assistance is applied, financial assistance exceeds actual covered costs by \$2,000 (\$3,000 in actual covered costs - \$5,000 in other financial assistance). • Included income: \$2,000 (the amount by which the financial aid exceeds the student's actual covered costs). |
| 6-19 thru 6- 21 | <p>6-I.H. PERIODIC PAYMENTS [Notice PIH 2023-27]</p> <p>Periodic payments are forms of income received on a regular basis.</p> <p>Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.</p> <p>However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b), and thus they are included in annual income.</p> <p>Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.</p> <p>Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]</p> <p>Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.</p> <p style="text-align: center;"><u>PHA Policy</u></p> |

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The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing an annual reexamination, the PHA will not adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 9. If not, the PHA will consider the amount when processing the family's next annual recertification.

Retirement Accounts [24 CFR 5.609(b)(26); Notice PIH 2023-27]

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.

However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

Social Security Benefits [Notice PIH 2023-27]

The PHA is required to use the gross benefit amount to calculate annual income from Social Security benefits.

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27]. When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

PHA Policy

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA must use the reduced benefit amount after

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| | <p>deducting only the amount of the overpayment withholding from the gross benefit amount.</p> <p>Alimony and Child Support</p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family’s child-support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].</p> <p><u>PHA Policy</u></p> <p>The PHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement unless the family certifies and the PHA verifies that the payments are not being made.</p> <p>In order to verify that payments are not being made, the PHA will review child support payments over the last three months. If no payments have been made in the past three months and there are no lump sums, the PHA will not include alimony or child support in annual income.</p> <p style="padding-left: 40px;">If payments are being made regularly, the PHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, the PHA will average all payments that have been made.</p> <p style="padding-left: 40px;">At new admission or interim recertification, if any lump sum payments were made in the past 12 months, the PHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.</p> <p style="padding-left: 80px;">If the PHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.</p> <p style="padding-left: 80px;">If the PHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.</p> |
| 6-22 | <p>6-I.I. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]</p> <p>Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.</p> <p>Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.</p> |

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| | <p>Income that has a discrete end date and will not be repeated beyond the coming year during the family’s upcoming annual reexamination period will be excluded from a family’s annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).</p> <p>Income amounts excluded under this category may include, but are not limited to:</p> <ul style="list-style-type: none"> • Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities; • Payments for eviction prevention; • Security deposits to secure housing; • Payments for participation in research studies (depending on the duration); and • General one-time payments received by or on behalf of the family. <p>Nonrecurring income that is excluded under the regulations includes:</p> <ul style="list-style-type: none"> • Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)]. • Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)]. • Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)]. • Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)]. • Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included. • Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)]. |
| 6-23 | <p><i>Imputed Income</i></p> <p>When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency provide the reason for the</p> |

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| | <p>reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.</p> <p>This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].</p> |
| 6-24 | <p>6-I.K. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]</p> <p>Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.</p> <p>Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies, or other authorized entities.</p> <p>The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.</p> <p>Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.</p> |
| 6-24 | <p>6-I.L. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]</p> <p>Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.</p> <p>While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of <i>net family assets</i>). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received</p> |

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| | <p>a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.</p> <p>Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount (\$50,000 for 2024, and \$51,600 for 2025), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.</p> |
| 6-25 thru 6-30 | <p>6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b); FR Notice 1/31/2024]</p> <p>Other exclusions contained in 24 CFR 5.609(b) and FR Notice 1/31/2024 that have not been discussed earlier in this chapter include the following:</p> <ul style="list-style-type: none"> • Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)]. • Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27]. • Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)]. • Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)]. • Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)]. • Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)]. • The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)]. • Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27]. |

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| | <ul style="list-style-type: none"> • Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27]. • Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first \$2,000 of per capita shares are included in a family’s annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income. • Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23)]. • Income earned on amounts placed in a family’s Family Self-Sufficiency account [24 CFR 5.609(b)(27)]. • Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii)]. • Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i)]. • Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii)]. • Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training |
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program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

PHA Policy

The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The PHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3-4].

In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PHA’s interim reporting requirements (see Chapter 11).

- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(b)(13)].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20)].
- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary [24 CFR 5.609(b)(22)].

HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets.
- (b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches.

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| | <p>(c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.</p> <ul style="list-style-type: none"> - Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). <p>(d) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)).</p> <p>(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).</p> <p>(f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).</p> <p>(g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).</p> <p>(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.</p> <p>(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).</p> <p>(j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).</p> <p>(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled <i>Elouise Cobell et al. v. Ken Salazar et al.</i>, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.</p> <p>(l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408).</p> <p>(m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).</p> <p>(n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in <i>In Re Agent</i></p> |
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| | <p><i>Orange</i> product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.</p> <p>(o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).</p> <p>(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.</p> <p>(q) The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990 (42 U.S.C. 9858q).</p> <p>(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.</p> <p>(s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433). This exclusion also applies to assets.</p> <p>(t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).</p> <p>For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).</p> <p>(u) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d)).</p> <p>(v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).</p> <p>(w) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).</p> <p>(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance</p> |
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| | <p>provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.</p> <p>(y) Distributions from an ABLÉ account, distributions from and certain contributions to an ABLÉ account established under the ABLÉ Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.</p> <p>(z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).</p> <p>(aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.</p> <p>(ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).</p> <p>(ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).</p> |
| 6-32 thru 6-45 | PART II: ASSETS (New Part) |
| 6-47 thru 6-48 | <p>6-III.A. INTRODUCTION</p> <p>Overview</p> <p>HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family’s adjusted income. Mandatory deductions are found in 24 CFR 5.611.</p> |

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| | <p>5.611 <i>Adjusted income</i> means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:</p> <p>(a) <i>Mandatory deductions</i></p> <p>(1) \$480 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of \$25);</p> <p>(2) \$525 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of \$25);</p> <p>(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:</p> <p>(i) Unreimbursed health and medical care expenses of any elderly family or disabled family;</p> <p>(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and</p> <p>(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.</p> |
| | <p>This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.</p> <p>Anticipating Expenses</p> <p><u>PHA Policy</u></p> <p>Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.</p> <p>If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.</p> <p>When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the <i>PH Occupancy Guidebook</i> states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB,</p> |

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| | <p><i>Income Determinations</i>, p. 30]. For annual reexaminations, the PHA will use information for the previous 12-month period.</p> <p>6-III.B. DEPENDENT DEDUCTION</p> <p>An allowance of \$480 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(1)]. <i>Dependent</i> is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].</p> <p>6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION</p> <p>A single deduction of \$525 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25) [24 CFR 5.611(a)(2)].</p> <p>An <i>elderly family</i> is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a <i>disabled family</i> is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].</p> |
| 6-49 thru 6-50 | <p>6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]</p> <p>Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ten percent of annual income.</p> <p>This deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the unreimbursed health and medical care expenses of all family members are included. The PHA calculates health and medical care expenses based on the family's past expenses, but accounting for any anticipated changes in expenses during the certification period.</p> <p>Definition of <i>Medical Expenses</i></p> <p>HUD regulations define <i>health and medical care expenses</i> at 24 CFR 5.603(b) to mean “any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.” Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.</p> <p>Although HUD revised the definition of <i>health and medical care expenses</i> to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not</p> |

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permitting PHAs to specifically align their policies to IRS Publication 502. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition. While PHA policies may not specifically align with IRS Publication 502, HUD recommends PHAs use it as a standard for determining allowable expenses, and the PHA may list examples of allowable expenses in their policy provided they comply with HUD's definition at 24 CFR 5.603. The PHA may not define *health and medical care expenses* more narrowly than the regulation.

PHA Policy

The PHA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD's definition of *health and medical care expenses*.

The IRS Publication 502 can be found with the following link:
<https://www.irs.gov/publications/p502>.

Summary of Typical Allowable Health and Medical Care Expenses

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| <p>Services of medical professionals</p> <p>Surgery and medical procedures that are necessary, legal, and non-cosmetic</p> <p>Services of medical facilities</p> <p>Hospitalization, long-term care, and in-home nursing services</p> <p>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p> <p>Medicare Part B and Part D premiums</p> | <p>Substance abuse treatment programs</p> <p>Psychiatric treatment</p> <p>Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502.</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.</p> |
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| | <div style="border: 1px solid black; padding: 10px; margin-bottom: 10px;"> <p>Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD’s definition.</p> </div> <p>Families That Qualify for Both Health and Medical and Disability Assistance Expenses</p> <p><u>PHA Policy</u></p> <p>This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.</p> <p>When expenses anticipated by a family could be defined as either a health and medical care or disability assistance expenses, the PHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p> |
| 6-51 thru 6-52 | <p>6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]</p> <p>Unreimbursed reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with disabilities may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.</p> <p>Earned Income Limit on the Disability Assistance Expense Deduction</p> <p>A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].</p> <p>The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.</p> <p><u>PHA Policy</u></p> <p>The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.</p> |

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When the PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes. [New PH OCC GB, *Income Determination*, p. 28].

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type, or special equipment to assist a person who is deaf or hard of hearing.

Eligible Attendant Care [Notice PIH 2023-27]

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day. The family determines the type of attendant care that is appropriate for the person with disabilities.

PHA Policy

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

PHA Policy

The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with

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| | <p>disabilities. A family may present, and the PHA will consider, the family's justification for costs that exceed typical costs in the area.</p> <p>Families That Qualify for Both Health and Medical and Disability Assistance Expenses</p> <p><u>PHA Policy</u></p> <p>This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.</p> <p>When expenses anticipated by a family could be defined as either health and medical care or disability assistance expenses, the PHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p> |
| 6-53 | <p>6-III.F. CHILDCARE EXPENSE DEDUCTION</p> <p>HUD defines <i>childcare expenses</i> at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age (age 12 and younger) (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”</p> <p>Clarifying the Meaning of <i>Child</i> for This Deduction</p> <p>Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses [HCV GB, p. 5-29].</p> |
| 6-56 thru 6-61 | <p>6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]</p> <p><i>Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]</i></p> <p>The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.</p> <p>Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.</p> |

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Phased-In Relief

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024. These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first after the date on which the PHA implements phased-in relief.

For these families, the threshold amount is phased-in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.
 - When an eligible family's phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

When an eligible family's phased-in relief begins at an interim reexamination, the PHA must process another transaction (either an interim reexamination or non-interim transaction, as applicable) one year later to move the family to the next phase.

Prior to the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.

PHAs must track the 24-month phase-period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move to another public housing unit at the same PHA. When the family is treated as a new admission under a different property/program (e.g., the family moves from public housing to the HCV program), unless the PHA has a written policy to continue the phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA.

PHA Policy

The PHA will not continue the phased-in relief for families who move from the HCV program to public housing. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

General Relief

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The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in PHA policy) that would not otherwise trigger an interim reexamination.

The family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under the phased-in relief category above. HUD requires that PHAs develop policies defining what constitutes a hardship for purposes of this exemption.

The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) or that the family's financial hardship is a result of a change in circumstances. The PHA defines *a change in circumstances* as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim reexamination in accordance with PHA policies.

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

The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;

The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or

Other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)].

PHA Policy

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The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a hearing.

If the family qualifies for an exemption, the PHA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the family will receive a deduction for the sum of eligible expenses that exceed five percent of annual income.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever is earlier. However, the PHA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues. PHAs are not limited to a maximum number of 90-day extensions.

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

PHA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90-days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. The PHA will require updated verification based on the family's current circumstances. Additional extension(s) may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.

Childcare Expense Hardship Exemption [24 CFR 5.611(d) and Notice PIH 2023-27]

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to the PHA's satisfaction that the family is unable to pay their rent because of the loss of the childcare expense deduction, and that the childcare expense is still necessary even though the family member is not working, looking for work, or seeking to further their

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education, the PHA must recalculate the family's adjusted income and continue the childcare deduction.

The PHA must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions.

If the PHA denies the request, the notice must specifically state the reason for the denial. PHAs must provide families 30 days' notice of any increase in rent.

If the PHA approves the request, the notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to the PHA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption [Notice PIH 2023-27].

PHA Policy

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| | <p>The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.</p> <p style="padding-left: 40px;">If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a grievance hearing.</p> <p style="padding-left: 40px;">If the family qualifies for an exemption, the PHA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.</p> <p>If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.</p> <p>The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.</p> <p>PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.</p> <p>PHAs must notify the family if the hardship exemption is no longer necessary, and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90-days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption. The PHA will require updated verification based on the family's current circumstances. Additional extensions may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.</p> |
| 6-62 | <p>6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(i)]</p> <p>The PHA may adopt additional permissive deductions from annual income if they establish a policy in the ACOP. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must</p> |

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| | <p>be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.</p> <p>If the PHA chooses to adopt permissive deductions, the PHA is not eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of those deductions. The PHA must establish a written policy for such deductions.</p> <p>The <i>Form HUD-50058 Instruction Booklet</i> states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The PHA has opted not to use permissive deductions.</p> |
| 6-72 | <p>Utility Allowance Revisions [24 CFR 965.507]</p> <p>The PHA must review at least annually the basis on which utility allowances have been established and, if reasonably required in order to continue adherence to standards described in 24 CFR 965.505, must establish revised allowances.</p> <p>The PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rates on which such allowances were based.</p> <p>Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective. Such rate changes are not subject to the 60-day notice [24 CFR 965.507(b)].</p> <p>The tenant rent calculations must reflect any changes in the PHA’s utility allowance schedule [24 CFR 960.253(c)(3)].</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The Utility Allowance Schedule will be updated on an annual basis, and adjustments to resident payments will be applied during the tenant’s annual recertification.</p> |
| 6-75 | <p>Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]</p> <p>With the exception of non-public housing over-income families, a family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the PHA determines that a financial hardship exists, the PHA must immediately allow the family to switch from flat rent to the income-based rent.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The family may revert to income-based rent at any time. Requests must be submitted in writing. Once reverted back to income-based rent, the family will remain on income-based rent until the next annual recertification.</p> <p>Reasons for financial hardship include:</p> |

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| | <ul style="list-style-type: none"> • The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance • The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items • Such other situations determined by the PHA to be appropriate <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">Families do not need to prove financial hardship to revert to income-based rent.</p> |
| 7-1 and 7-2 | <p>7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 960.259; 24 CFR 5.230; and Notice PIH 2023-27]</p> <p>Consent Forms</p> <p>The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 960.259(a)(1)]. All adult family members must sign consent forms as needed to collect information relevant to the family’s eligibility and level of assistance. While PHAs must use form HUD-9886-A, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.</p> <p>Form HUD-9886-A [24 CFR 5.230(b)(1), (b)(2), (c)(4), and (c)(5); Notice PIH 2023-27]</p> <p>All adult applicants and tenants must sign form HUD-9886-A, Authorization for Release of Information. All adult family members (and the head and spouse/cohead regardless of age) are required to sign the Form HUD-9886-A at admission. Participants, prior to January 1, 2024, signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886-A be signed only once. On or after January 1, 2024 (regardless of the PHA’s HOTMA compliance date), current program participants must sign and submit a new Form HUD-9886-A at their next interim or annual reexamination. This form will only be signed once. Another Form HUD-9886-A will not be submitted to the PHA except under the following circumstances:</p> <ul style="list-style-type: none"> • When any person 18 years or older becomes a member of the family; • When a current member of the family turns 18; or • As required by HUD or the PHA in administrative instructions. <p>The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.</p> <p style="text-align: center;"><u>PHA Policy</u></p> |

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Family members turning 18 years of age between annual recertifications will be required to sign the required Consent to the Release of Information Form HUD-9886-A at the next annual reexamination.

The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA must deny admission to applicants and terminate the lease of tenants [24 CFR 5.232(a)]. The family may request a hearing in accordance with the PHA's grievance procedures.

However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c)]. PHAs may not process interim or annual reexaminations of income without the family's executed consent forms.

PHA Policy

The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.

In order for a family to revoke their consent, the family must provide written notice to the PHA.

Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable.

If any family member with the exception of head of household refuses to give consent to access financial records, the family member will need to leave the household, and vacate the premises. In the event, the head of household refuses to give consent the entire household will need be removed from the program, and need to vacate the premises.

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| 7-5 thru 7-8 | <p>7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]</p> <p>PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance. If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs. Means-tested federal public assistance programs include:</p> <ul style="list-style-type: none"> • Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.); • Medicaid (42 U.S.C. 1396 et seq.); • Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.); • Earned Income Tax Credit (EITC) (26 U.S.C. 32); • Low-Income Housing Tax Credit (LIHTC) program (26 U.S.C. 42); • Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786); • Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.); • Other programs administered by the HUD Secretary; • Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and • Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the <i>Federal Register</i>. <p>If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR 5.618. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:</p> <ul style="list-style-type: none"> • Income determination effective date; |
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- Program administrator’s signature date;
- Family’s signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

If the PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program’s income determination, the PHA must calculate the family’s annual income using traditional methods as outlined in Notice PIH 2023-27 and this chapter.

If the PHA uses a Safe Harbor determination to determine the family’s income, the family is obligated to report changes in income that meet the PHA’s reporting requirement and occur after the effective date of the transaction.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family’s annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

PHA Policy

When available and applicable, the PHA will accept other programs’ Safe Harbor determinations of income at annual reexamination to determine the family’s total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or childcare expense deductions.

Further, if the family is eligible for and claims the disability assistance expense or childcare expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs’ determinations of income for any new admission or interim reexamination.

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| | <p>With the exception of income determinations made under the Low-Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.</p> <p>In order to be acceptable, the income determination must:</p> <ul style="list-style-type: none"> Be dated within 12 months of the dates listed above; State the family size; Be for the entire family (i.e., the family members listed in the documentation must match the family’s composition in the assisted unit, except for household members); and Must state the amount of the family’s annual income. <p>The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.</p> <p>When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.</p> <p>When the PHA uses a Safe Harbor income determination from another program, and the family’s income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA’s calculation of the family’s total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family’s annual reexamination will not be considered. If the family has a change in income that occurs after the annual reexamination effective date, the PHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination as outlined in Chapter 9. In this case, the PHA will use third-party verification to verify the change.</p> |
| 7-9 thru 7-10 | <p>7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]</p> <p>HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.</p> |

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Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs may apply a COLA to each of the family's sources of fixed income. PHAs must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

PHA Policy

When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family's annual income as outlined above, then PHA will use a streamlined income determination where applicable.

Regardless of the percent of a family's unadjusted income from fixed income sources:

The PHA will streamline the annual reexamination process by applying the verified COLA/inflationary adjustment factor to fixed-income sources during the family's annual reexamination.

The family will be required to sign a self-certification stating that their sources of fixed income have not changed from the previous year.

The PHA will document in the file how the determination that a source of income was fixed was made.

If the family's sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.

All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

In the following circumstances, regardless of the percentage of income received from fixed sources, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:

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| | <p>Of all assets when net family assets exceed the HUD-published threshold (\$50,000 for 2024, and \$51,600 for 2025);</p> <p>Of all deductions and allowances from annual income;</p> <p>If a family member with a fixed source of income is added;</p> <p>If verification of the COLA or rate of interest is not available;</p> <p>During the intake process and at least once every three years thereafter.</p> |
| 7-11 | <p>7-I.D. VERIFICATION HIERARCHY [Notice PIH 2023-27]</p> <p>When the PHA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires the PHA to obtain third-party verification of:</p> <ul style="list-style-type: none"> • Reported family annual income; • The value of net family assets when the net value exceeds the HUD-published threshold, as listed in HUD’s Inflation-Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025); • Expenses related to deductions from annual income; and • Other factors that affect the determination of adjusted income. <p>HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general, HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.</p> <p>HUD developed a hierarchy that described verification documentation from most acceptable to least acceptable. The PHA must demonstrate efforts to obtain third-party verification prior to accepting self-certification except instances when self-certification is explicitly allowed.</p> <p>In order of priority, the hierarchy is:</p> <ul style="list-style-type: none"> • Highest: Level 6: Up-front Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system • Highest: Level 5: Up-front Income Verification (UIV) using a non-EIV system • High: Level 4: <ul style="list-style-type: none"> ○ Written third-party verification from the source, also known as “tenant-provided verification” ○ Or EIV plus self-certification • Medium: Level 3: Written third-party verification form • Medium: Level 2: Oral third-party verification |

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| | <ul style="list-style-type: none"> • Low: Level 1: Self-certification (not third-party verification) <p>Each of the verification methods is discussed in subsequent sections below.</p> <p>File Documentation</p> <p>The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.</p> |
| 7-12 thru 7-14 | <p>7-I.E. LEVEL 5 AND 6 VERIFICATIONS: UP-FRONT INCOME VERIFICATION (UIV)</p> <p>Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits for a number of individuals. PHAs may use UIV sources before or during a family reexamination.</p> <p>UIV will be used to the extent that these systems are available to the PHA.</p> <p>There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the PHA's informal review/hearing processes.</p> <p>HUD's Enterprise Income Verification (EIV) System</p> <p>PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during annual and streamlined reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.</p> <p>HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.</p> <p>The income validation tool (IVT) in EIV provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with other departments.</p> <p>The following policies apply to the use of HUD's EIV system.</p> <p>EIV Income Report</p> <p>PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual reexamination. However, PHAs are not required to use the EIV Income Report:</p> <ul style="list-style-type: none"> • At annual reexamination if the PHA used Safe Harbor verification from another means-tested federal assistance program to determine the family's income; or |

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- During any interim reexaminations.

The EIV Income Report is also not available for program applicants at admission.

When required to use the EIV Income Report, in order for the report to be considered current, the PHA must pull the report within 120 days of the effective date of the annual reexamination.

The EIV Income Report may be used to verify and calculate income at annual reexamination if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information in EIV.

PHA Policy

Except for when Safe Harbor verification from another means-tested federal assistance program is used to determine the family's annual income, the PHA will obtain an EIV Income Report for all annual reexaminations for all families on a monthly basis. Reports will be generated as part of the regular reexamination process. The PHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.

Income reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.

Income reports will be retained in resident files with the applicable annual documents or interim reexamination documents (if applicable) for the duration of tenancy.

When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

New Hires Report [Notice PIH 2023-27]

The New Hires Report identifies participant families who have new employment within the last six months. The report is updated monthly.

PHAs must review this information at annual reexamination except when the PHA uses Safe Harbor verification from another means-tested federal assistance program to determine the family's income.

PHAs that do not require families to undergo interim reexaminations for earned income increases after an interim decrease are not required to review this report between a family's annual reexamination. If the PHA requires an interim for increases in earned income after an interim decrease, then the PHA must review the report quarterly after the family's interim decrease.

PHA Policy

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In accordance with PHA policies in Chapter 9, the PHA does not process interim reexaminations for families who have increases in earned income. The family must inform the PHA of an increase of income after a declared decrease.

No Income Reported by HHS or SSA Report

This report is a tool for PHAs to identify participants who passed the SSA identity test, but no income information was reported by either HHS or SSA records. This scenario does not mean that the tenant does not have any income. PHAs obtain written, third-party verification of any income reported by the tenant. The PHA must identify in its policies and procedures when this report will be pulled [Notice PIH 2023-27].

PHA Policy

The PHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.

The PHA will re-verify the status of tenants identified on the report quarterly. Based on the information provided by the family and in EIV, the PHA may require that family members provide verifications or sign release forms in order to obtain additional verification.

When the PHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification Report

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to HUD data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2023-27].

When identity verification for a resident fails, a message will be displayed within the EIV system, and no income information will be displayed.

PHA Policy

The PHA will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

The PHA will attempt to resolve discrepancies by obtaining appropriate documentation from the tenant. When the PHA determines that discrepancies exist as a result of PHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]

The Deceased Tenant Report identifies residents that have been reported by the SSA as deceased. The PHA is required to review the report at least quarterly.

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| | <p style="text-align: center;"><u>PHA Policy</u></p> <p>The PHA will review the Deceased Tenants Report on a monthly basis.</p> <p>When the Deceased Tenants Report identifies an individual as being deceased, PHAs must immediately send a letter to the head of household or emergency contact person (if the head of household is deceased and there is no other adult household member) to confirm the death of the listed household member. The PHA must conduct a home visit to determine if anyone is residing in the unit.</p> <p>PHAs are required to list the move-out date for the family as of the date on which the family or designee of the deceased tenant’s estate returned the keys and signed a vacate notice; the date the public housing lease was terminated; or the date the PHA legally regained possession of the unit, whichever occurs first.</p> <p>When the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for continued occupancy. The PHA may not designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.</p> <p><i>Other EIV Reports [Notice PIH 2023-27]</i></p> <p>The PHA is required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening and Failed Verification (Failed SSA Identity Test) reports at least monthly.</p> <p>Upfront Income Verification Using Non-HUD Systems</p> <p>HUD encourages PHAs to utilize other upfront verification sources such as the Work Number and web-based state benefits systems.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>The PHA will inform all applicants and residents of its use of the following UIV resources:</p> <ul style="list-style-type: none"> • Online Rental Exchange (ORE) |
| 7-16 thru 7- 18 | <p>7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27]</p> <p>HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.</p> <p>EIV + Self-Certification</p> <p>EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and self-certifies that the amount is accurate and representative of current income. This practice is known as <i>EIV + self-certification</i>. When calculating income using this method, the PHA may use its discretion to determine which method of calculation is reasonable: the last four quarters combined or an average of any number of quarters. The family must be provided with the information from EIV.</p> <p style="text-align: center;"><u>PHA Policy</u></p> |

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At annual reexamination, if the PHA is unable to use a determination of income from a means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.

The PHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The PHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with using only the last two quarters of income listed in EIV, because of the seasonal or otherwise fluctuating nature of a particular family member's employment, the PHA will permit the family to sign a self-certification stating that the average of all four quarters of income listed in EIV is accurate and representative of current annual income and use that amount for calculating annual income. If the family disagrees and contends that the amount listed in EIV is not reflective of current income, or if less than two quarters are available in EIV, the PHA will use written third-party verification from the source as outlined below.

The PHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.

Any verification of information contained in the EIV report will be discussed during an in-person appointment or conference.

Written Third-Party Verification from the Source

Written, third-party verification from the source is also known as “tenant-provided verification.” In order to qualify as written-third party verification from the source, the documents must be original or authentic and (generally) dated within 120 days of the date received by the PHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation. The PHA may use the verification obtained during an interim reexamination for an annual reexamination if there have been no other changes to annual income since the interim reexamination. Documents may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs when calculating income using third-party verification from the source. For new income sources or when two pay stubs are not available, the PHA should determine income based on the

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| | <p>information from a traditional written, third-party verification form or the best available information.</p> <p>When the family disputes EIV-reported employment income, the PHA uses written third-party verification.</p> <p>When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.</p> <p><u>PHA Policy</u></p> <p>In general, the PHA will use third-party verification from the source in the following circumstances:</p> <ul style="list-style-type: none"> At annual reexamination when EIV + self-certification, and UIV cannot be used; For all new admissions when UIV cannot be used; and For all interim reexaminations when UIV cannot be used. <p>The PHA will not use this method if the PHA is able to use an income determination from a means-tested federal assistance program or if the PHA uses EIV + self-certification as outlined above.</p> <p>In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by the PHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.</p> <p>The PHA may reject documentation provided by the family if the document appears to be forged, or if the document is altered, mutilated, or illegible. If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.</p> <p>When verification of assets held by a banking or financial institution is required, the PHA will obtain one statement that reflects the current balance of the account.</p> <p>When pay stubs are used, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA’s discretion, if additional paystubs are needed due to the family’s circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.</p> |
| 7-19 | <p>7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]</p> <p>This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. This is known as “traditional third-party verification.” PHAs send a PHA-developed form directly to the</p> |

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| | <p>third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset).</p> <p>The PHA may use this method when higher forms are unavailable or are rejected by the PHA or when the family is unable to provide acceptable verification. The PHA may skip this level of verification and may instead substitute oral third-party verification before moving to self-certification.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>Typically, the PHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.</p> <p>However, on a case-by-case basis, the PHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.</p> <p>Documentation added to the verification must contain whom the PHA spoke and the time and length of the conversation.</p> |
| 7-20 | <p>7-I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]</p> <p>For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.</p> <p>Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.</p> <p>PHAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.</p> <p>The PHA may skip this level of verification if they attempted written third-party verification via a form and the source did not respond and move directly to self-certification.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>In general, the PHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days, the PHA will accept oral third-party verification prior to accepting self-certification from the family.</p> <p>However, if the PHA chooses to obtain oral third-party verification, the PHA will document in the file the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed.</p> <p>When Third-Party Verification is Not Required [Notice PIH 2023-27]</p> <p>Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family’s total tenant payment.</p> |

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| | <p><u>PHA Policy</u></p> <p>If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.</p> <p>The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses will not be passed on to the tenant.</p> <p><i>Primary Documents</i></p> <p>Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.</p> |
| 7-21 | <p>7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]</p> <p>Non-third-party verification consists of a signed statement of reported income and/or expenses. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other required verification techniques.</p> <p>Self-certification, however, is an acceptable form of verification when:</p> <ul style="list-style-type: none"> • A source of income is fully excluded; • Net family assets are less than or equal to the HUD-published threshold (\$50,000 for 2024, and \$51,600 for 2025) and the PHA has adopted a policy to accept self-certification; • The family declares that they do not have any present ownership in any real property; • A family reports zero income; • A family states that they have non-recurring income that will not be repeated in the coming year; and/or • The PHA has adopted a policy to implement streamlined verification for fixed sources of income. <p>When the PHA was required to obtain third-party verification but instead relies on self-certification, the family's file must be documented to explain why third-party verification was not available.</p> <p>HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.</p> <p><u>PHA Policy</u></p> |

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| | <p>When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.</p> <p>The PHA may require a family to certify that a family member does <u>not</u> receive a particular type of income or benefit.</p> <p>The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certification forms must be notarized.</p> <p>All self-certifications will include the following language:</p> <p>“I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802).”</p> |
| <p>7-23 thru 7- 24</p> | <p>7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2023-27]</p> <p>The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.</p> <p>The PHA must accept the following documentation as acceptable evidence of the social security number:</p> <ul style="list-style-type: none"> • An original SSN card issued by the Social Security Administration (SSA) • An original SSA-issued document, which contains the name and SSN of the individual • An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual <p>While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant’s name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual’s SSN using this method, the PHA must document why the other SSN documentation was not available.</p> <p>If the tenant’s SSN becomes verified in EIV, then no further verification is required. If the tenant’s SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other</p> |

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identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

PHA Policy

The PHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

The PHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

PHA Policy

The PHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of program admission, an otherwise eligible family may be admitted and must provide documentation of the child's SSN within 90 days. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control.

PHA Policy

The PHA will grant one additional 30-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a resident requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a resident requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the resident must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

PHA Policy

The PHA will grant one additional 30-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously assisted occupancy.

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| | <p><u>PHA Policy</u></p> <p>The PHA will verify each disclosed SSN by:</p> <p style="padding-left: 40px;">Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers</p> <p style="padding-left: 40px;">Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder</p> <p>Once the individual’s verification status is classified as “verified,” the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual’s SSN.</p> <p><u>PHA Policy</u></p> <p>Once an individual’s status is classified as “verified” in HUD’s EIV system, the PHA will not remove and destroy copies of documentation accepted as evidence of social security numbers.</p> |
| 7-26 | <p>Marriage</p> <p><u>PHA Policy</u></p> <p>Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA will require the family to document the marriage with a marriage certificate or other documentation to verify that the couple is married.</p> <p>In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns). Only common law marriage prior to July 24, 2019 is recognized by the state of South Carolina.</p> |
| 7-31 | <p>7-II.H. VERIFICATION OF PREFERENCE STATUS</p> <p>The PHA must verify any preferences claimed by an applicant that determined their placement on the waiting list.</p> <p><u>PHA Policy</u></p> <p>The PHA also specific preference status for the following:</p> <ul style="list-style-type: none"> • Elderly families • Disabled families • Displaced families • Homeless families • Victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking <p>These local preferences are defined in accordance with Section 4-III.B.</p> |

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| | <p>To verify that applicants qualify for the preference, the PHA will follow documentation requirements outlined in Section 16-VII.D.</p> <p>If the qualification for the preference status cannot be provided during the offer process, the offer will be rescinded, the preference will be removed from the application. The applicant will remain on the waitlist, but will and the family will be placed on the waitlist with the waitlist position they would have held if the preference had not been included.</p> |
| 7-32 | <p style="text-align: center;">PART III: VERIFYING INCOME AND ASSETS</p> <p>Chapter 6 of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The following policies do not apply when the PHA uses a Safe Harbor income determination from a means-tested federal assistance program.</p> <p>7-III.A. EARNED INCOME</p> <p>Tips</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">Unless tip income is included in a family member’s W-2 by the employer or in UIV verification sources, tips will not be included as income.</p> <p>Wages</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p>When the PHA requires third-party verification of wages, for wages other than tips, the family does not need provide original copies of the two most current, consecutive pay stubs. Electronic copies may be provided if the entire document is legible.</p> |
| 7-35 | <p>7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]</p> <p>Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">Verification will be obtained in the following order of priority:</p> |

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| | <p>Third-party verification form from the state or local child support enforcement agency</p> <p>Copies of the receipts and/or payment stubs for the 12 months prior to PHA request</p> <p>Third-party verification form from the person paying the support</p> <p>Family’s self-certification of amount received</p> <p>Note: Families are not required to undertake independent enforcement action.</p> <p>7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]</p> <p>Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.</p> <p><u>PHA Policy</u></p> <p>The PHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the PHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p> |
| <p>7-36 thru 7- 37</p> | <p>7-III.F. ASSETS AND INCOME FROM ASSETS</p> <p>Net Family Assets [24 CFR 5.603]</p> <p>At admission and reexam, for families with net assets less than or equal to the HUD-published threshold listed in HUD’s current year Inflation-Adjusted Values tables (\$50,000 for 2024, \$51,600 for 2025), the PHA may, but is not required to, accept the family’s self-certification that the family’s assets do not exceed the HUD-published threshold without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from assets which must be included in the family’s income. This includes declaring income from checking and savings accounts which, although excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed the HUD-published threshold), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets.</p> <p>For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.</p> <p>PHAs who choose not to accept self-certifications of assets must verify all families’ assets on an annual basis.</p> |

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When net family assets have a total value over the HUD-published threshold, the PHA may not rely on the family's self-certification. Third-party verification of assets is required when net family assets exceed the HUD-published threshold.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

PHA Policy

For families with net assets less than or equal to the HUD-published threshold listed in the current year's Inflation-Adjusted Values tables, the PHA will accept the family's self-certification of the value of family assets and anticipated asset income. The family's declaration must show the total amount of income expected from all assets. All family members 18 years of age and older must sign the family's declaration. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family's annual income. The family will be required to provide third-party verification of net family assets every three years.

When verification is required, in determining the value of checking or savings accounts, the PHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the PHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2); Notice PIH 2023-27]

The PHA must determine whether a family has present ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapters 3. The PHA may accept a self-certification from the family stating that the family does not have any present ownership in any real property. If the family certifies that they do not have any present ownership interest in real property, the PHA may take that as sufficient to determine the family is not out of compliance with the real property restriction. If the family declares they have present ownership in real property, the PHA must obtain third-party verification of the family's legal right to reside in the property, the effective legal authority to sell the property, and whether the property is suitable for occupancy by the family as a residence.

PHA Policy

The PHA will accept self-certification from the family stating that the family does not have any present ownership in any real property. The certification must be signed by all family members 18 years of age and older. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

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| | <p>If the family declares they have a present ownership in real property, the PHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the PHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.</p> |
| 7-38 | <p>7-III.H. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]</p> <p>PHAs are not required to verify the amount of the family’s federal tax refund or refundable tax credit(s) if the family’s net assets are less than or equal to the HUD-published threshold listed in HUD’s current year Inflation-Adjusted Values tables (\$50,000 for 2024, \$51,600 for 2025), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family’s federal tax refund or refundable tax credits if the family’s net assets are greater than the HUD-published threshold.</p> <p>7-III.I. RETIREMENT ACCOUNTS</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The PHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.</p> |
| 7-40 | <p>7-III.K. ZERO INCOME FAMILIES [Notice PIH 2023-27]</p> <p>PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet at admission or periodically after admission to determine if they have any sources of unreported income or searching any UIV sources for unreported income.</p> <p>In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR 5.609(b)(24)(vi)].</p> <p>PHAs may accept a self-certification of zero income from the family without taking any additional steps to verify zero reported income. HUD does not require such self-certifications be notarized.</p> <p>PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family’s income is not reflected on the Form HUD-50058.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> |

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| | <p>The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by families claiming to have zero annual income.</p> <p>The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.</p> <p>The PHA will only conduct interims in accordance with PHA policy in Chapter 9.</p> |
| 7-41 | <p>7-III.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]</p> <p>The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are included [24 CFR 5.609(b)(9)(ii)].</p> <p><u>PHA Policy</u></p> <p>The PHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.</p> <p>In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, the PHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.</p> <p>If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.</p> |
| 7-43 | <p>Amount of Expense</p> <p><u>PHA Policy</u></p> <p>Medical expenses will be verified through:</p> <ul style="list-style-type: none"> Written third-party documents provided by the family, such as pharmacy printouts or receipts. Written third-party verification forms if the family is unable to provide acceptable documentation. The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept |

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| | <p>evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.</p> <p>If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.</p> <p>If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].</p> |
| 7-45 | <p>7-IV.C. DISABILITY ASSISTANCE EXPENSES</p> <p>Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.</p> <p>The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. The PHA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. [FR Notice 2/14/23].</p> <p>Amount of Expense</p> <p><i>Attendant Care</i></p> <p><u>PHA Policy</u></p> <p>Expenses for attendant care will be verified through:</p> <p style="padding-left: 40px;">Written third-party documents provided by the family, such as receipts or cancelled checks.</p> <p style="padding-left: 40px;">Third-party verification form signed by the provider, if family-provided documents are not available.</p> <p style="padding-left: 40px;">If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.</p> <p>If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization</p> |

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| | that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26]. |
| 8-1 | <u>Part II: Inspections</u> . This part describes the PHA's policies for inspecting dwelling units and notifying families of HUD REAC NSPIRE inspections. |
| 8-1 | For policies on lease requirements for families whose incomes have exceeded the over-income limit for 24 consecutive months, see 13-III.C., Over-Income Families. |
| 8-2 | <p>Topics to be discussed and explained to all families include:</p> <ul style="list-style-type: none"> Applicable deposits and all other charges Review and explanation of lease provisions Unit maintenance requests and work orders The PHA's interim reporting requirements Review and explanation of occupancy forms Community service requirements Family's choice of rent VAWA protections Smoke-free policies |
| 8-4 | <p><u>PHA Policy</u></p> <p>When the PHA proposes to modify or revise schedules of special charges or rules and regulations, the PHA will post a copy of the notice in the property management office, the CHA website, and will email, mail, or hand-deliver a copy of the notice to each resident family. Documentation of proper notice will be included in each resident's file.</p> |
| 8-6 | <p><u>PHA Policy</u></p> <p>Residents must pay a security deposit to the PHA at the time of a unit offer.</p> <p>The PHA may permit installment payments of security deposits when a new tenant demonstrates a financial hardship to the satisfaction of the PHA. However, the security deposit will be divided into three equal installments, starting with the date the lease is signed, and paid for the next two consecutive months.</p> <p>The PHA will hold the security deposit for the period the family occupies the unit. The PHA will not use the security deposit for rent or other charges while the resident is living in the unit.</p> <p>Within 30 days of move-out, the PHA will refund to the resident the amount of the security deposit, less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.</p> |

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| | <p>If the Resident does not provide the PHA 15 days' notice before moving from the dwelling unit, the Resident and the PHA agree that the PHA shall have the right and be entitled to collect as liquidated damages an amount up to or equal to the security deposit as a remedy for such nonperformance.</p> <p>The PHA will provide the resident with a written list of any charges against the security deposit within 30 calendar days of the move-out inspection. If the resident disagrees with the amount charged, the resident may request a meeting to discuss the charges.</p> <p>If the resident transfers to another unit, the PHA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.</p> |
| 8-7 | <p><u>CHA Policy</u></p> <p>The tenant's rent is due and payable to the PHA on the first of every month. Rent may be paid using RentCafe (accessed via the CHA website) or the Walk-in Payment System (WIPS). Rent can also be paid by mailing in a check or money order. Cash is not accepted.</p> <p>If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.</p> <p>If a family's tenant rent changes, the PHA will notify the family of the new amount and the effective date by sending a "Lease Amendment," which will become an attachment to the lease.</p> |
| 8-8 | Late Fees and Nonpayment [24 CFR 966.4(b)(3); 24 CFR 966.4(q) and (r)] |
| 8-8 | <p>The lease must also contain a provision or addendum that tenants will receive notification at least 30 days before an eviction for nonpayment of rent is filed [24 CFR 966.4(q)]. The PHA must not provide tenants with a termination notice prior to the day after the rent is due according to the lease. The PHA must not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period [24 CFR 966.4(r)].</p> |
| 8-8 | <p>Late Fees and Nonpayment [24 CFR 966.4(b)(3); 24 CFR 966.4(q) and (r)]</p> <p>At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].</p> <p>The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].</p> <p>The lease must also contain a provision or addendum that tenants will receive notification at least 30 days before an eviction for nonpayment of rent is filed [24 CFR 966.4(q)]. The PHA must not provide tenants with a termination notice prior to the day after the rent is due according to the lease. The PHA must not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period [24 CFR 966.4(r)].</p> |

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| | <p>The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)]. See Chapter 13 for additional requirements for notices of lease termination.</p> <p><u>PHA Policy</u></p> <p>If the family fails to pay their rent by the fifth day of the month, and the PHA has not agreed to accept payment at a later date, a 30-day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises. The PHA will not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period.</p> <p>In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$30.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.</p> <p>When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid, and a returned check fee of \$30.00 will be charged to the family. The fee will be due and payable 14 days after billing.</p> |
| 8-10 | <p><u>PHA Policy</u></p> <p>When applicable, families will be charged for maintenance and/or damages according to the PHA’s current schedule. Work that is not covered in the schedule will be charged based on the actual cost of materials to make needed repairs.</p> <p>Notices of maintenance and damage charges will be emailed and/or mailed, and will be updated in the RentCafe portal. The notices will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the charges until the conclusion of the grievance process.</p> <p>Nonpayment of maintenance and damage charges constitutes a violation of the lease and is grounds for eviction.</p> |
| 8-11 THRU 8-17 | <p style="text-align: center;">PART II: INSPECTIONS</p> <p>8-II.A. OVERVIEW</p> <p>The PHA is obligated to maintain safe and habitable dwelling units and to make necessary repairs to dwelling units [24 CFR 966.4(e)]. The National Standards for the Physical Inspection of Real Estate (NSPIRE) are the standard under which HUD housing units,</p> |

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including those under the Public Housing Program, are inspected. NSPIRE ensures that residents of public housing live in safe, habitable dwellings, and the items and components located inside, outside, and within the units are functionally adequate, operable, and free of health and safety hazards [24 CFR 5.703(a)]. Further, units must comply with state and local code requirements (such as fire, mechanical, plumbing, carbon monoxide, property maintenance, and residential code) [24 CFR 5.703(f)] as well as with all requirements related to the evaluation and control of lead-based paint hazards [24 CFR 5.703(e)(2)].

Under NSPIRE, public housing units are subject to three types of inspections: annual self-inspections, NSPIRE Inspections (which are used to assess and score the PHA under the Public Housing Assessment System (PHAS)), and NSPIRE Plus Inspections (which are triggered by poor property conditions). HUD regulations also require the PHA to inspect each public housing unit prior to move-in and at move-out. The PHA may require additional inspections, in accordance with PHA policy. This part contains the PHA's policies governing inspections by the PHA and HUD, notification of unit entry, and inspection repair timelines. This section discusses inspections conducted by the PHA (including annual self-inspections) and inspections conducted by HUD REAC.

8-II.B. PHA-CONDUCTED INSPECTIONS

The PHA is obligated to maintain dwelling units and the project in a safe and habitable condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Types of PHA-Conducted Inspections

***Move-In Inspections* [24 CFR 966.4(i)]**

The lease must require the PHA and the family to inspect the dwelling unit before occupancy in order to determine the condition of the unit and the equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, must be provided to the tenant and retained in the resident's file.

PHA Policy

The head of household, spouse, or cohead must attend the initial inspection and sign the inspection form.

***Move-Out Inspections* [24 CFR 966.4(i)]**

The PHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if they wish, unless the tenant vacates without notice to the PHA. The PHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit, so long as the work needed exceeds that for normal wear and tear.

PHA Policy

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The PHA will inspect the vacant unit within 7 days, and, when applicable, the PHA will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 30 calendar days of the move-out date.

Self-Inspections [24 CFR 5.707]

Annually, all PHAs are required to self-inspect their properties, including all units, to ensure units are maintained in accordance with NSPIRE standards in 24 CFR 5.703. As part of the self-inspection process, PHAs must ensure that deficiencies previously cited and repaired as a result of an NSPIRE inspection have not subsequently failed.

The PHA must maintain the results of self-inspections for three years and must provide the results to HUD upon request.

CHA Policy

The PHA will inspect all occupied units at least once each quarter.

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed and within an acceptable time frame.

PHA Policy

Supervisory quality control inspections will be conducted in accordance with the PHA's maintenance plan.

Special Inspections

PHA Policy

PHA staff may conduct a special inspection for any of the following reasons:

Housekeeping

Unit condition

Suspected lease violation

Preventive maintenance

Routine maintenance

There is reasonable cause to believe an emergency exists

Other Inspections

PHA Policy

Building exteriors, grounds, common areas and systems will be inspected according to the PHA's maintenance plan.

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

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The PHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the PHA entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

PHA Policy

The PHA will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

Written notification can consist of mail, email, RentCafe notification, or a hand-delivered notice.

For any PHA annual inspections, the family will receive at least 48 hours written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the PHA to enter the unit.

Except for emergencies, management will not enter the dwelling unit to perform inspections where a pet resides unless restrained or confined for the entire duration of the inspection by the pet owner or a responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

For non-emergency entry, the PHA will not enter the dwelling unit if only a minor child or children are present in the unit.

Should there only be a minor child or children in the unit, then a supervisor will be contracted, and staff presence will be in the area until household supervision arrives. Emergency Services will be contacted, where appropriate.

Emergency Entries [24 CFR 966.4(j)(2)]

The PHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the PHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of PHA-Conducted Inspections

PHA Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the PHA at least 24 hours prior to the scheduled inspection. The PHA will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The PHA may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

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PHA Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if they wish.

If no one is at home, the inspector will enter the unit, conduct the inspection, and leave a door tag on the door indicating an inspection has been completed.

The PHA will not enter the dwelling unit to inspect if there is only a minor child or minor children present in the unit, unless the PHA has reason to believe an emergency exists.

Repairs

Correction timeframes differ depending on whether repairs are considered emergency or non-emergency repairs.

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the PHA of the damage, and the PHA must make repairs within a reasonable time frame. Under NSPIRE, the PHA must correct all Life-Threatening and Severe deficiencies within 24 hours.

If the damage was caused by a household member or guest, the PHA must charge the family for the reasonable cost of repairs. The PHA may also take lease enforcement action against the family.

If the PHA cannot make repairs quickly, the PHA must offer the family standard alternative accommodations. If the PHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

CHA Policy

When conditions in the unit are hazardous to life, health, or safety, the PHA will rectify the immediate situation within 24 hours

Defects hazardous to life, health, or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

- Natural gas leaks

- Any electrical problem or condition that could result in shock or fire

- Absence of a working heating system when between Oct 1 and Mar 31, or heat working but can't maintain 68 degrees Fahrenheit

- Utilities not in service, including no running hot water

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Conditions that present the imminent possibility of injury
Obstacles that prevent safe entrance or exit from the unit
Absence of the only functioning toilet in the unit
Missing or inoperable smoke/carbon monoxide detectors

Non-emergency Repairs

PHA Policy

The PHA will correct deficiencies resulting in a non-emergency work order identified during a PHA conducted inspection within 15 business days of the inspection date. If the PHA is unable to make repairs within that period due to circumstances beyond the PHA's control (e.g., required parts or services are not available, weather conditions, etc.) the PHA will notify the family of an estimated date of completion.

The family must allow the PHA access to the unit to make repairs.

Except for emergencies, management will not enter the dwelling unit to perform repairs where a pet resides unless accompanied for the entire duration of the repair by the pet owner or a responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

Resident-Caused Damages

PHA Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.F., Maintenance and Damage Charges.

Repeated or excessive damage to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

PHA Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the PHA will provide proper notice of a lease violation.

A reinspection will be conducted within 14 days to confirm that the resident has complied with the requirement to abate the problem. Failure to comply with the requirement will result in a 30-day letter of termination and a mandatory housekeeping class.

Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector and/or carbon monoxide alarm. The first violation will carry a charge of \$25.00. A second incident will result in lease termination.

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8-II.C. NSPIRE INSPECTIONS [24 CFR 5.705(c); Notice PIH 2023-16]

During an NSPIRE inspection, REAC inspectors will inspect areas and associated items or components that are listed in the regulations as affirmative requirements and those included within the NSPIRE standards. For most properties, the frequency of NSPIRE inspections is determined by the date of the prior inspection and the score received.

Notice to Residents [Notice PIH 2023-16]

The PHA must provide notice to all residents as described in 24 CFR 5.711(h) and the lease.

PHA Policy

The PHA will provide all residents with at least 14 days' notice of an NSPIRE inspection. Notice will be provided through multiple communication methods, including by mail, email, and hand-delivery. All materials, notices, and communications to families regarding the inspection will be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.

24-Hour Corrections [24 CFR 5.711(c); Notice PIH 2023-16]

At the conclusion of the NSPIRE inspection, or at the end of the day on multi-day inspections, HUD provides the PHA with a list of Life-Threatening and Severe deficiencies. The PHA must correct all Life-Threatening and Severe deficiencies within 24 hours, with certification of correction submitted to HUD within two business days of receipt of notification of the deficiency.

If permanent repair will take longer than the allowable time in the relevant standard for the deficiency, the PHA must provide HUD with a timeframe for completing permanent repairs and submit evidence that the repair is in progress. Any extension to the allowable time for rectifying the deficiency is allowed only upon HUD approval for good cause.

PHA Policy

The PHA will correct all Life-Threatening and Severe deficiencies within 24 hours. Correcting the deficiency means the PHA will resolve or sufficiently address the deficiency in a manner that it no longer poses a severe health or safety risk to residents or the hazard is blocked until permanent repairs can be completed. A correction could include controlling or blocking access to the hazard by performing a temporary relocation of the resident while repairs are made.

While the PHA will complete all repairs expeditiously, if a permanent repair is not possible within 24-hours, the PHA will correct the deficiency by performing an interim repair to remove the health and safety hazard. If the correction is temporary or professional services or materials are unavailable within 24 hours, the PHA will

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| | <p>provide a target date for permanent correction. Such interim repairs will be fully completed within a reasonable timeframe approved by HUD.</p> <p>The family must allow the PHA access to the unit to make repairs.</p> <p>Non-emergency Repairs</p> <p>Under NSPIRE, the PHA must correct Moderate deficiencies within 30 days and Low deficiencies within 60 days, or as otherwise provided in the NSPIRE standards. Repairs should be permanent fixes, unless otherwise approved by HUD in writing. HUD may also prescribe timelines in Corrective Action Plans as defined in 24 CFR 902.3 or Corrective Action Agreements as described in 24 CFR 902.105.</p> <p><u>PHA Policy</u></p> <p>If the PHA is unable to make repairs within the periods identified in the NSPIRE standards due to circumstances beyond the PHA’s control (e.g., required parts or services are not available, weather conditions, etc.), the PHA will provide HUD with a timeframe for completing permanent repairs and obtain HUD approval. The PHA will also notify the family of an estimated date of completion.</p> <p>The family must allow the PHA access to the unit to make repairs.</p> <p>Except for emergencies, management will not enter the dwelling unit to perform inspections where a pet resides unless restrained or confined for the entire duration of the inspection by the pet owner or a responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.</p> <p>For non-emergency entry, the PHA will not enter the dwelling unit if only a minor child or children are present in the unit.</p> <p>Should there only be a minor child or children in the unit, then a supervisor will be contracted, and staff presence will be in the area until household supervision arrives. Emergency Services will be contacted, where appropriate.</p> |
| 9-1 | <p style="text-align: center;">Chapter 9.</p> <p style="text-align: center;">REEXAMINATIONS UNDER HOTMA 102/104</p> <p style="text-align: center;">[24 CFR 960.257, 960.259, 966.4]</p> <p>INTRODUCTION</p> <p>With the exception of non-public housing over income families, the PHA is required to reexamine each family’s income and composition periodically, and to adjust the family’s rent accordingly. PHAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].</p> <p>The frequency with which the PHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the PHA to offer all families the choice of paying income-based rent or flat rent at least</p> |

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| | <p>annually. The PHA’s policies for offering families a choice of rents are located in Chapter 6.</p> <p>This chapter discusses both annual and interim reexaminations.</p> <p><u>Part I: Annual Reexaminations for Families Paying Income-Based Rents.</u> This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.</p> <p><u>Part II: Reexaminations for Families Paying Flat Rents.</u> This part contains the PHA’s policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every three years. This part also contains the PHA’s policies for conducting annual updates of family composition for flat rent families.</p> <p><u>Part III: Interim Reexaminations.</u> This part includes HUD requirements and PHA policies related to when a family may and must report changes that occur between annual reexaminations.</p> <p><u>Part IV: Recalculating Tenant Rent.</u> After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.</p> <p><u>Part V: Non-Interim Reexamination Transactions.</u> This part describes transactions that do not entail changes to the family’s adjusted income.</p> <p>Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.</p> |
| 9-3 | <p style="text-align: center;">PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME-BASED RENTS</p> <p style="text-align: center;">24 CFR 960.257</p> <p>9-1.A. OVERVIEW</p> <p>For those families who choose to pay income-based rent, the PHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. With the exception of over-income families, who must have their income reviewed at 12 and 24 months, for flat rent families, the PHA must conduct a reexamination of family composition at least annually and must conduct a reexamination of family income at least once every three years [24 CFR 960.257(a)(2)]. For any non-public housing over-income families, the PHA may not conduct an annual reexamination of family income. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.</p> |

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| | <p>For all residents of public housing, whether those residents are paying income-based or flat rents, the PHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.</p> <p>The PHA is required to obtain all the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the PHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].</p> <p>Unlike when performing an interim reexamination or at intake, at annual reexamination, the PHA must determine the income of the family for the previous 12-month period, except where the PHA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. PHAs also have the option of using Safe Harbor income verification from another federal means-tested program to verify gross annual income. Chapter 7 contains the PHA’s policies related to streamlined income determinations and the use of Safe Harbor income verifications.</p> <p>This part contains the PHA’s policies for conducting annual reexaminations.</p> |
| 9-4 thru 9-5 | <p>9-I.B. SCHEDULING ANNUAL REEXAMINATIONS</p> <p>The PHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a)(1)].</p> <p><u>PHA Policy</u></p> <p>Generally, the PHA will schedule annual reexaminations to coincide with the family's anniversary date. The PHA will begin the annual reexamination process approximately 90 days in advance of the scheduled effective date.</p> <p><i>Anniversary date</i> is defined as 12 months from the effective date of the family’s last annual reexamination or, during a family’s first year in the program, from the effective date of the family’s initial examination (admission).</p> <p>If the family transfers to a new unit, the PHA will conduct a new annual reexamination, and the anniversary date will be updated to the first day of the month corresponding to the new lease date.</p> <p>The PHA will schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.</p> <p>Notification of and Participation in the Annual Reexamination Process</p> <p>The PHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity to provide contact information</p> |

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| | <p>at the time of admission the option to complete Form HUD-92006 at this time. The PHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].</p> <p><u>PHA Policy</u></p> <p>Families are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. The annual reexamination will be completed online via RentCafe, which is the same tenant portal that is used to pay rent.</p> <p>Notification of annual reexamination interviews, also known as an annual reexamination workflow, will be sent via email and will include instructions for completing the annual reexamination workflow online and the due date the workflow must be completed. In the event the tenant has not registered for RentCafe, an annual reexamination packet will be sent by first-class mail containing the due date and a list of required documents. Included in the packet will also be instructions for registering and completing the annual reexamination online through RentCafe.</p> <p>Families can request an in-person interview with their property management office. The property management office will schedule the date and time of the interview.</p> <p>If participation in an in-person interview, and access to RentCafe poses a reasonable hardship due to the disability of a family member, the family should contact the PHA to request a reasonable accommodation (See Chapter 2).</p> <p>If the family is unable to attend a scheduled interview, the family must contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview, the PHA will send a second notification with a new interview appointment time.</p> <p>If a family fails to attend two scheduled interviews without PHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.</p> <p>An advocate, interpreter, or other assistant may assist the family in the interview process.</p> |
| 9-6 | <p>9-I.C. CONDUCTING ANNUAL REEXAMINATIONS</p> <p>The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].</p> <p><u>PHA Policy</u></p> <p>Families will be provided all required information (as described in the annual reexamination notice) either online through RentCafe or during an in-person interview. The required information will include a PHA-designated reexamination</p> |

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| | <p>form as well as supporting documentation related to the family’s income, expenses, and family composition.</p> <p>When annual reexaminations are completed online via RentCafe the family must complete the process within 10 calendar days. All necessary documents can be uploaded to RentCafe. Any additional documentation required for the PHA to complete the annual reexamination will be requested and can be uploaded through RentCafe.</p> <p>The family must provide all required documents or information during the interview. Any missing documentation must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.</p> <p>If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.</p> <p>The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:</p> <ul style="list-style-type: none"> • Legal identity • Age • Social security numbers • A person’s disability status • Citizenship or immigration status |
| 9-7 thru 9-8 | <p>9-I.D. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]</p> <p>The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination as indicated in Chapter 7 of this policy. The PHA may also use Safe Harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at annual reexamination as outlined in Chapter 7 of this policy.</p> <p>Except when using streamlined or Safe Harbor income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family’s last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.</p> <p>Income from assets is always anticipated, irrespective of the income examination type.</p> |

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A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The PHA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for PHA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at annual reexamination.

Step 1: The PHA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the annual reexamination;
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the PHA's annual reexamination paperwork.

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

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

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, the PHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income. For example, the PHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:

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| | <ul style="list-style-type: none"> - Year-end statements - Paystub with year-to-date amounts - Tax forms (Form 1040, W2, 1099, etc.) <p>If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 9-1 provides detailed examples of how the PHA calculates income from different sources at annual reexamination using the above method.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">When income is calculated using a streamlined income determination or Safe Harbor determination from a means-tested federal public assistance program in accordance with PHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with the PHA or other agency's determination of income or the PHA has other reason to use third-party verification in these circumstances, then the above will apply.</p> |
| 9-9 | <p>Criminal Background Checks</p> <p>Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">Each household member age 16 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.</p> |
| 9-12 | <p>9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION</p> <p>Frequency of Reexamination</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">For families paying flat rents, the PHA will conduct a full reexamination of family income and composition annually.</p> <p>Reexamination Policies</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">In conducting full reexaminations for families paying flat rents, the PHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.E above.</p> |
| 9-13 | <p><i>Criminal Background Checks</i></p> <p>Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.</p> |

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| | <p><u>PHA Policy</u> Each household member age 16 and over will be required to execute a consent form for criminal background check as part of the annual update process.</p> |
| 9-15 | <p style="text-align: center;">PART III: INTERIM REEXAMINATIONS 24 CFR 960.257(b); 24 CFR 966.4; and Notice PIH 2023-27</p> <p>9-III.A. OVERVIEW</p> <p>Family circumstances may change during the period between annual reexaminations. HUD and PHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes.</p> <p>A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family’s adjusted income that must be processed in accordance with HUD regulations. What qualifies as a “reasonable time” may vary based on the amount of time it takes to verify information, but the PHA generally should conduct the interim reexamination not longer than 30 days after the PHA becomes aware of changes in income.</p> <p>Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.</p> |
| 9-16 | <p>Reporting</p> <p>PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition [24 CFR 960.257(b)(5)].</p> <p>Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.</p> <p><u>PHA Policy</u></p> <p>All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates) within 10 calendar days of the change.</p> <p>New Family Members <u>Not</u> Requiring Approval</p> <p>The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 966.4(a)(1)(v)].</p> |

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| 9-18 | <p>Departure of a Family or Household Member</p> <p>The family must promptly notify the PHA if any household member (including a live-in aide, foster child, or foster adult) no longer lives in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">If a household member ceases to reside in the unit, the family must inform the PHA within 10 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.</p> <p style="padding-left: 40px;">The PHA will process an interim if the family's adjusted income will decrease as a result of a family member permanently moving out of the unit.</p> |
| 9-19 thru 9-22 | <p>9-III.C. CHANGES AFFECTING INCOME OR EXPENSES</p> <p>Interim reexaminations for changes in income or expenses may be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.</p> <p>The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">All families are required to report changes in income or expenses.</p> <p>Interim Decreases [24 CFR 960.257(b)(2) and Notice PIH 2023-27]</p> <p>A family may request an interim determination of family income for any change since the last determination. However, the PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. The PHA may set a lower threshold in PHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits the PHA from setting a dollar-figure threshold.</p> <p>However, while the PHA has some discretion, HUD requires that the PHA perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:</p> <ul style="list-style-type: none"> • When there is a decrease in family size attributed to the death of a family member; or • When a family member permanently moves out of the assisted unit during the period since the family's last reexamination. <p>In the above circumstances, the PHA must perform an interim reexamination for any decrease in adjusted income.</p> <p>If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then PHA must process the removal of</p> |

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the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

PHA Policy

The PHA will conduct an interim reexamination whenever the family's adjusted income has decreased by more than \$200 per month or \$2,400 per year.

Interim Increases [24 CFR 960.257(b)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

PHAs must not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

PHAs must conduct an interim reexamination of family income when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10 percent or more in adjusted income, with the following exceptions:

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

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

PHA Policy

When a family reports an increase in their earned income between annual reexaminations, the PHA will conduct an interim reexamination when the family has declared a previous decrease since the family's last annual reexamination.

The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.

The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 15.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, the PHA must look at the earned and unearned income changes independently of each other

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to determine if an interim reexamination is performed. The PHA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, the PHA may not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the PHA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required.

Cumulative Increases [Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the PHA must conduct an interim reexamination in accordance with PHA policy.

Public Housing Over-Income Families [24 CFR 960.507(c); Notice PIH 2020-3; and Notice PIH 2023-27]

Regardless of changes in adjusted income, in some circumstances the PHA is required to conduct an interim reexamination to determine whether a family's income continues to exceed the public housing over-income limit. PHAs are required to conduct income examinations of public housing families who have been determined to exceed the over-income limit at specific intervals. When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period. This continued evaluation of the family's over-income status requires the PHA to notify any family that exceeds the over-income limit that they remain over the income limit, even if the family is paying the flat rent [24 CFR 960.253]. An interim income reexamination to determine if a public housing family remains over-income does not reset the family's normal annual reexamination date.

Family Reporting

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 960.257(b)(5)].

PHA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or the PHA may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim reexamination [Notice PIH 2023-27].

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the

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| | <p>family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].</p> <p><u>PHA Policy</u></p> <p>The family will be required to report all changes in income, regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 calendar days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing, including email. If the family provides oral notice, the PHA may also require the family to submit the changes in writing, including by email.</p> <p>Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination.</p> <p style="padding-left: 40px;">If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification (which may be emailed) within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination.</p> <p style="padding-left: 40px;">If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 calendar days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, in person, through RentCafe. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.</p> <p style="padding-left: 40px;">Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.</p> |
| 9-23 | <p>9-III.D. EFFECTIVE DATES</p> <p>Changes Reported Timely [24 CFR 960.257(b)(6) and Notice PIH 2023-27]</p> <p>If the family reports a change in family income or composition timely in accordance with PHA policies:</p> <ul style="list-style-type: none"> • For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period. |

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| | <ul style="list-style-type: none"> Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively. <p>Changes Not Reported Timely [24 CFR 960.257(b)(6)(ii) and (iii) and Notice PIH 2023-27]</p> <p>If the family failed to report a change in family income or composition timely in accordance with PHA policies:</p> <ul style="list-style-type: none"> For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income. For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination. <p>However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:</p> <ul style="list-style-type: none"> The first of the month following the date of the change that led to the interim reexamination; or The first of the month following the most recent previous income examination. <p>In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.</p> <p><u>PHA Policy</u></p> <p>In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination.</p> <p>However, the PHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to PHA management operations. The PHA will decide to apply decreases retroactively on a case-by-case basis.</p> <p>When the PHA applies the results of interim increases retroactively, the PHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with PHA policies.</p> |
| 9-26 | 9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4] |

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| | <p>The tenant rent calculations must reflect any changes in the PHA’s utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>The revised utility allowance will be applied to a family’s rent calculations at the first annual reexamination following the adoption of the utility allowance.</p> |
| 9-27 | <p>9-IV.C. NOTIFICATION OF NEW TENANT RENT</p> <p>The public housing lease requires the PHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].</p> <p>When the PHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the PHA’s schedule of Utility Allowances for families in the PHA’s Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the PHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the PHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the PHA’s grievance procedure [24 CFR 966.4(c)(4)].</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.</p> |
| 9-29 | <p style="text-align: center;">PART V: NON-INTERIM REEXAMINATION TRANSACTIONS</p> <p style="text-align: center;">Notice PIH 2023-27</p> <p>Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report via Form HUD-50058. These are known as <i>non-interim reexamination transactions</i>. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:</p> <ul style="list-style-type: none"> • Adding or removing a hardship exemption for the childcare expense deduction; • Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first); • Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction; • Adding or removing a minimum rent hardship; • Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult); |

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| | <ul style="list-style-type: none"> Ending a family’s EID or excluding 50 percent (decreased from 100 percent) of a family member’s increase in employment income at the start of the second 12-month EID period; Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule; Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule; Adding/updating a family or household member’s Social Security number; and Updating a family member’s citizenship status from eligible to ineligible or vice versa, resulting in a change to the family’s rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s). <p>PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.</p> |
| 10-1 | <p style="text-align: center;">Chapter 10</p> <p style="text-align: center;">PETS</p> <p style="text-align: center;">[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]</p> <p>INTRODUCTION</p> <p>This chapter explains the PHA's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the PHA.</p> <p>The chapter is organized as follows:</p> <p><u>Part I: Assistance Animals.</u> This part explains the difference between assistance animals, including service and support animals, and pets, and contains policies related to the designation of an assistance animal as well as their care and handling.</p> <p><u>Part II: Pet policies for all developments.</u> This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.</p> <p><u>Part III: Pet deposits and fees for elderly/disabled developments.</u> This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.</p> |

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| | <p><u>Part IV: Pet deposits and fees for general occupancy developments.</u> This part contains policies for pet deposits and fees that are applicable to general occupancy developments.</p> |
| 10-6 | <p>10-I.C. CARE AND HANDLING</p> <p>HUD regulations do not affect any authority a PHA may have to regulate assistance animals, including service animals, under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].</p> <p><u>CHA Policy</u></p> <p>Residents are responsible for feeding, maintaining, providing veterinary care, and controlling their assistance animals. A resident may do this on their own or with the assistance of family, friends, volunteers, or service providers.</p> <p>Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.</p> <p>Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.</p> <p>For any guests of residents with a service animal or emotional support animal, the property management office must be notified of the service animal or emotional support animal, and how long the guest and service animal/emotional support animal will be staying.</p> <p>When a resident’s care or handling of an assistance animal violates these policies, the PHA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the PHA determines that no such accommodation can be made, the PHA may withdraw the approval of a particular assistance animal, and the animal will need to be removed from the property.</p> |
| 10-7 | <p style="text-align: center;">PART II: PET POLICIES FOR ALL DEVELOPMENTS</p> <p style="text-align: center;">[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]</p> <p>10-II.A. OVERVIEW</p> <p>The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.</p> <p>The regulations do not address the PHA’s ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.</p> |
| 10-10 | <p>Number of Pets</p> |

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| | <p><u>CHA Policy</u></p> <p>Residents are limited to owning a maximum of two animals per household.</p> <p>In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 10 gallons. Such a tank or aquarium will be counted as one pet.</p> |
| 10-13 | <p>Inspections and Repairs</p> <p><u>CHA Policy</u></p> <p>Except for emergencies, management and/or maintenance will not enter the dwelling unit for performance of repairs or inspections where a pet resides unless restrained or confined for the entire duration of the inspection or repair by the pet owner or a responsible person designated by the pet owner. The pet must be adequately restrained or confined by the pet owner or responsible person until management has completed its tasks. In the event maintenance cannot be performed or completed due to a pet or not being restrained or confined, a nuisance fee can be charged to the resident. Continuous delays or interruptions suffered by management in the inspection, maintenance, and upkeep of the premises due to the presence of a pet may be cause for lease termination.</p> |
| 10-19 and 10-21 | <p style="text-align: center;">PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS</p> <p>10-IV.A. OVERVIEW</p> <p>This part describes the PHA’s policies for pet deposits and fees for those who reside in general occupancy developments.</p> <p>10-IV.B. PET DEPOSITS</p> <p>A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].</p> <p>A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].</p> <p>Payment of Deposit</p> <p><u>CHA Policy</u></p> <p>Pet owners are required to pay a pet deposit of \$300 in addition to any other required deposits. The deposit must be paid in full before the pet is brought onto the premises.</p> <p>The pet deposit is a separate fee, and not part of rent payable by the resident.</p> |

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Refund of Deposit

CHA Policy

The PHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 30 business days of the move-out inspection. If the resident disagrees with the amount charged for the pet deposit, the PHA will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

CHA Policy

The PHA requires pet owners to pay a non-refundable monthly pet fee.

This fee is intended to cover the reasonable operating costs to the development relating to the presence of pets. Reasonable operating costs to the development relating to the presence of pets include, but are not limited to:

- Landscaping costs

- Pest control costs

- Insurance costs

- Clean-up costs

The pet fee of \$10.00 will be billed on a monthly basis with each billing statement.

Charges for the non-refundable pet fee are separate charges, and not part of rent payable by the resident.

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

PHA Policy

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the development will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit

- Fumigation of the dwelling unit

- Repairs to common areas of the project

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| | <p>The expense of tick and flea elimination shall also be the responsibility of the resident.</p> <p>If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.F, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.</p> <p>Charges for pet-related damage are not part of rent payable by the resident.</p> <p>Pet Waste Removal Charge</p> <p>The regulations do not address the PHA’s ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.</p> <p><u>PHA Policy</u></p> <p>A separate pet waste removal charge of \$22.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.</p> <p>Such charges will be due with the next billing statement.</p> <p>Charges for pet waste removal are separate charges, and not part of rent payable by the resident.</p> |
| 11-7 | <p><u>CHA Policy</u></p> <p>The PHA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family’s request. The policy will notify the family that self-certification forms are subject to review by the PHA.</p> <p>On an annual basis, at the time of the annual recertification/lease renewal, the PHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.</p> |
| 11-15 | <p>PHA Program Design</p> <p>The PHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].</p> <p><u>CHA Policy</u></p> <p>The PHA will attempt to provide the broadest choice possible to residents as they choose community service activities.</p> |

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| | <p>The PHA’s goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The PHA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.</p> <p>Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the PHA Plan.</p> <p>The PHA will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.</p> <p>When the PHA has a ROSS program, a ROSS Service Coordinator, or an FSS program, the PHA may coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with PHA coordinators will satisfy community service activities and PHA coordinators will verify community service hours within individual monthly logs.</p> |
| 12-4 | <p><u>CHA Policy</u></p> <p>The following are considered emergency circumstance warranting an immediate transfer of the tenant or family:</p> <p style="padding-left: 40px;">Maintenance conditions in the resident’s unit, building or at the site that pose an immediate, verifiable threat to the life, health, or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak, no heat in the building during the winter, no water, toxic contamination, and serious water leaks.</p> <p style="padding-left: 40px;">A verified incident of domestic violence, dating violence, sexual assault, stalking, or human trafficking. For instances of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the threat may be established through documentation outlined in section 16-VII.D. To request the emergency transfer, the requestor must submit an emergency transfer request form, notify the property management office.</p> <p style="padding-left: 40px;">The PHA will immediately process requests for transfers due to domestic violence, dating violence, sexual assault, stalking, or human trafficking. The PHA will allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available. The PHA defines <i>immediately available</i> as a vacant unit, that is ready for move-in within a reasonable period of time, not to exceed 30 days. If an internal transfer to a safe unit is not immediately available, the PHA will assist the resident in seeking access to an immediate safe haven.</p> |
| 12-6 | <p>12-I.D. COSTS OF TRANSFER</p> <p><u>CHA Policy</u></p> <p>The PHA will bear the reasonable costs of temporary relocations and permanent</p> |

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| | <p>transfers due to emergency conditions.</p> <p>The reasonable cost of transfers includes the cost of packing, moving, and unloading.</p> <p>The PHA will establish a moving allowance based on the typical costs in the community of loading, moving, and unloading. To establish typical costs, the PHA will collect information from companies in the community that provide these services. The PHA will furnish packing material to the family for relocation purposes.</p> <p>The PHA will reimburse the family for eligible out-of-pocket moving expenses up to the PHA's established moving allowance.</p> |
| 12-8 | <p>12-II.B. TYPES OF PHA REQUIRED TRANSFERS</p> <p><u>CHA Policy</u></p> <p>The types of transfers that may be required by the PHA, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.</p> <p>Transfers required by the PHA are mandatory for the tenant. The family will be given 15 days to vacate the unit after receipt of written notice.</p> |
| 12-10 | <p>Demolition, Disposition, Revitalizations, or Rehabilitation, Including Rental Assistance Demonstration (RAD) Conversions Transfers</p> <p>These transfers permit the PHA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].</p> <p><u>CHA Policy</u></p> <p>The PHA will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The PHA's relocation plan may or may not require transferring affected families to other available public housing units.</p> <p>Where transfer from public housing is necessary, the PHA shall utilize public housing units as a first option and then use temporary vouchers should no public housing unit is available in a reasonable timeframe.</p> <p>In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.</p> |
| 12-12 | <p>12-II.D. COST OF TRANSFER</p> <p><u>CHA Policy</u></p> |

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| | <p>The PHA will bear the reasonable costs of transfers that the PHA requires, except that residents will be required to bear the cost of occupancy standards transfers where PHA placed family in the wrong unit size.</p> <p>The reasonable costs of transfers include the cost of packing, moving, and unloading.</p> <p>The PHA will establish a moving allowance based on the typical costs in the community of loading, moving, and unloading. To establish typical costs, the PHA will collect information from companies in the community that provide these services. The PHA will furnish packing material to the family for relocation purposes.</p> <p>The PHA will reimburse the family for eligible out-of-pocket moving expenses up to the PHA's established moving allowance.</p> |
| 13-1 | <p><u>Part II: Termination by PHA - Mandatory.</u> This part describes circumstances when termination of the lease by the PHA is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements and families that have been over the income limit for 24 consecutive months.</p> |
| 13-6 | <p>13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]</p> <p>The PHA must terminate the lease if any family member fails to sign and submit any consent form that is required to sign for any reexamination.</p> <p>However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c)]. PHAs may not process interim or annual reexaminations of income without the family's executed consent forms.</p> <p><u>CHA Policy</u></p> <p>The PHA will terminate the lease if any family member fails to sign and submit any consent form that is required to sign for any reexamination.</p> <p>See Chapter 7 for a complete discussion of consent requirements.</p> |
| 13-14 | <p>13-II.J. OVER-INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2023-03; FR Notice 2/14/23]</p> <p>In the public housing program, an <i>over-income family</i> is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:</p> <ul style="list-style-type: none"> • Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or • Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly |

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| | <p>rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.</p> <p><u>CHA Policy</u></p> <p>For families whose income exceeds the over-income limit for 24 consecutive months, the PHA will terminate the family’s tenancy. The family will need to vacate the unit 30 days after the last day of the 24-consecutive-month period.</p> <p>All PHAs, regardless of size, must implement over-income policies. However, if a PHA owns or operates fewer than 250 public housing units and admits families whose annual income exceeds the low-income limit because there are no income-eligible families on the PHA’s waiting list in accordance with 24 CFR 960.503, the over-income limit regulation does not apply to tenant families [24 CFR 950.503]. This regulation is unrelated to HOTMA 103 [24 CFR 960.507]. This is because these families are considered unassisted tenants are not participants in the public housing program.</p> |
| 13-16 | <p>Initial Notice of Over-Income Status [24 CFR 960.507(c)(1); Notice PIH 2023-03; HOTMA 103 FAQs, December 2024]</p> <p>The PHA is required to provide over-income families with three notifications within 30 days of the following points: at the initial determination when a family’s income first exceeds the limit, at 12 months after the family continues to exceed the limit, and at 24 months of continuously exceeding the limit. If proper notice is not given, the PHA is required to continue to allow the family to stay in the unit until all three notices have been given.</p> <p>If the PHA determines the family has exceeded the over-income limit during an annual or interim reexamination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the PHA’s initial over-income determination. The 24 consecutive month grace period begins on the date the PHA notifies the family (for example, the post date of the notice).</p> <p>The notice must state that the family has exceeded the over-income limit and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA’s determination that the family has exceeded the over-income limit. However, the 24-month grace period does not restart if required notices do not include grievance rights. Exhibits 13-1 and 13-2 provide sample initial notices based on HUD’s model notices.</p> <p><u>CHA Policy</u></p> <p>At annual or interim reexamination, if a family’s income exceeds the applicable over-income limit, within 10 business days, the PHA will notify the family in writing of the determination and that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA’s over-income policies. The notice will state that the family may request a hearing if the family</p> |

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| | disputes the PHA's determination in accordance with PHA policies in Chapter 14. The PHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments. |
| 13-17 | <p>Second Notice of Over-Income Status [24 CFR 960.507(c)(2); Notice PIH 2023-03; Notice PIH 2023-27]</p> <p>The PHA must conduct an income examination 12 months after the initial over-income determination, even if the family is paying flat rent, unless the PHA determined the family's income fell below the over-income limit since the initial over-income determination. This includes when the PHA makes an initial determination that a family is over income during an interim reexamination. In this case, the PHA must conduct a second interim reexamination 12 months after the over-income determination, unless the family's income falls below the over-income limit during the 24-month period. See Chapter 9 for PHA policies on interims for over-income families.</p> <p>If the PHA determines the family continues to exceed the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. Additionally, if applicable under PHA policy, the notice must include an estimate (based on current data) of the alternative non-public housing rent for the family's unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. However, the 24-month grace period does not restart if required notices do not include grievance rights. Exhibits 13-3 and 13-4 provide sample 12-month notices based on HUD's model notices.</p> <p><u>CHA Policy</u></p> <p>If a family's income continues to exceed the applicable over-income limit after 12 consecutive months, within 10 business days of the determination, the PHA will notify the family in writing of the determination. The notice will state that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA's over-income policies. The notice will provide an estimate of the alternative non-public housing rent applicable to the family at the close of the 24-consecutive-month period. The notice will also state that the family may request a hearing if the family disputes the PHA's determination in accordance with PHA policies in Chapter 14. The PHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments.</p> |
| 13-18 | <p>Final Notice of Over-Income Status [24 CFR 960.507(c)(3) and 960.509; Notice PIH 2023-03; Notice PIH 2023-27; HOTMA 103 FAQs, December 2024]</p> <p>Unless the PHA determined the family's income fell below the over-income limit since the second over-income determination, the PHA must conduct an income examination 24</p> |

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| | <p>months after the initial over-income determination, even if the family is paying flat rent. When a PHA makes an initial determination that a family is over income during an interim reexamination, the PHA must conduct an interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period.</p> <p>If the family continues to be over income based on this determination, the PHA must provide written notification of this determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 24 consecutive months and that the PHA will follow its continued occupancy policies for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. However, the 24-month grace period does not restart if required notices do not include grievance rights. Exhibits 13-5 and 13-6 provide sample 24-month notices based on HUD's model notices.</p> <p style="text-align: center;"><u>CHA Policy</u></p> <p>If a family's income exceeds the applicable over-income limit for 24 consecutive months, the PHA will notify the family in writing of the determination within 10 business days of the date of the determination. The PHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments. The notice will state that the family will be removed from the program and will need to vacate the unit 30 days after the last day of the 24-consecutive-month period.</p> |
| 13-24 | <p style="text-align: center;"><u>CHA Policy</u></p> <p>The PHA may terminate the lease for the following violations of tenant obligations under the lease:</p> <p>Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);</p> <p>Repeated late payment of charges due under the lease, with the exception of nonpayment of rent. Three late payments within a 12-month period shall constitute a repeated late payment.</p> |
| 13-28 | <p><i>Asset Limitation [24 CFR 5.618; Notice PIH 2023-27]</i></p> <p>The PHA has discretion with respect to the application of the asset limitation at annual and interim reexamination. The PHA may adopt a written policy of total nonenforcement, enforcement, or limited enforcement as well as adopting exception policies.</p> <p style="text-align: center;"><u>CHA Policy</u></p> <p>The PHA has adopted a policy of total nonenforcement of the asset limitation for all program participants. The asset limitation only applies to initial eligibility determinations for new admissions to the PHA's public housing program.</p> |
| 13-37 | <p style="text-align: center;"><u>CHA Policy</u></p> |

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| | <p>The PHA will bifurcate a family’s lease and terminate the tenancy of a family member if the PHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.</p> <p>In making its decision, the PHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the PHA by the victim in accordance with this section and section 16-VII.D. The PHA will also consider the factors in section 13.III.E. Upon such consideration, the PHA may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.</p> <p>If the PHA does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If the person removed from the lease was the only tenant eligible to receive assistance, the PHA must provide any remaining tenant a chance to establish eligibility for the unit. If the remaining tenant cannot do so, the PHA must provide the tenant reasonable time to find new housing.</p> |
| 13-41 | <p><u>CHA Policy</u></p> <p>In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the PHA will notify the household in writing of the proposed adverse action and will provide a letter provided by Online Rental Exchange (ORE) for the tenant to obtain a copy of the detrimental information. The family will be given an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.</p> <p>The family will be given 10 business days from the date of the PHA notice, to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within that 10-business day period, the PHA will proceed with the termination action.</p> <p>Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.</p> |
| 13-42 thru 13-43 | <p>13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]</p> <p>Form, Delivery, and Content of the Notice</p> <p>Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident’s right to reply to the termination notice, and their right to examine PHA documents directly relevant to the termination or eviction. If the PHA does not make the documents available for examination upon request by the tenant, the PHA may not proceed with the eviction [24 CFR 996.4(m)]. Notices of lease termination must be provided in accessible formats to ensure effective</p> |

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communication for individuals with disabilities, and the notice must provide meaningful access for persons with LEP.

All notices of lease termination due to a tenant's failure to pay rent must also include:

- Instructions on how the tenant can cure the nonpayment of rent violation, including:
 - An itemized amount separated by month of alleged rent owed by the tenant;
 - Any other arrearages allowed by HUD and included in the lease separated by month; and
 - The date by which the tenant must pay the amount of rent owed before an eviction for nonpayment of rent can be filed;
- Information on how the tenant may recertify their income, request a minimum rent hardship exemption, or a request to switch from flat rent to income-based rent; and
- In the event of a Presidential declaration of a national emergency, information as required by HUD.

For notices of lease termination due to a tenant's failure to pay rent, the PHA must not provide tenants with a termination notice prior to the day after the rent is due according to the lease. The PHA must not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period [24 CFR 966.4(r)].

If the tenant pays the full amount of the alleged rent owed but not the arrearages, the nonpayment will still be considered cured, and an eviction for nonpayment of rent cannot be filed. However, HUD emphasizes that the protections in this rule do not apply to other types of evictions that result from non-rent lease violations, such as nonpayment of arrearages if allowed under the lease.

HUD also suggests the termination notice advise individuals of their right to request reasonable accommodations, include information on how individuals with disabilities can request a reasonable accommodation, and include a point of contact for reasonable accommodation requests.

PHA Policy

The notice of lease termination will include information on how the family may request a reasonable accommodation for persons with disabilities and provide contact information for the PHA's 504 coordinator.

When the PHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the PHA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

CHA Policy

When applicable, the notice will also state that the resident may request a remote hearing.

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| | <p>If the PHA will require that the hearing be conducted remotely, at the time the notice is sent to the resident informing them of the right to request a hearing, the resident will be notified that the hearing will be conducted remotely. The resident will be informed of the processes involved in a remote hearing.</p> <p>When the PHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the PHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or for a drug-related criminal activity on or off the premises.</p> <p><u>CHA Policy</u></p> <p>The PHA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. If such attempt fails, the notice will be sent by first-class mail the same day.</p> <p>All notices of lease termination will include a copy of the forms HUD-5382 and HUD-5380 to accompany the termination notice. Any tenant who claims that the cause for termination involves domestic violence, dating violence, sexual assault, stalking, or human trafficking of which the tenant or affiliated individual of the tenant is the victim will be given the opportunity to provide documentation in accordance with the policies in sections 13-III.F and 16-VII.D.</p> |
| 13-44 | <p>Timing of the Notice [24 CFR 966.4(l)(3)(i)]</p> <p>The PHA must give written notice of lease termination of:</p> <ul style="list-style-type: none"> • At least 30 calendar days in the case of failure to pay rent • A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days) <ul style="list-style-type: none"> If the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened If any member of the household has engaged in any drug-related criminal activity or violent criminal activity If any member of the household has been convicted of a felony • 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply <p><u>CHA Policy</u></p> |

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| | <p>The PHA will give written notice of 30 calendar days from the date the tenant receives the notice for nonpayment of rent, which will not be provided to tenants until the day after the rent is due.</p> <p>For all other lease terminations, the PHA will give 30 days written notice or, if state or local law allows less than 30 days, such shorter notice will be given.</p> <p>The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.</p> <p><u>CHA Policy</u> Any Notice to Vacate or Notice to Quit will follow state and local law.</p> |
| 14-5 | <p>Scheduling an Informal Hearing</p> <p><u>CHA Policy</u></p> <p>A request for an informal hearing must be made in writing and delivered to the PHA in person, by first class mail, or by email by the close of the business day, no later than 10 business days from the date of the PHA’s notification of denial of admission.</p> <p>The PHA will schedule and send written notice either by first-class mail or email of the informal hearing within 10 business days of the family’s request.</p> <p>If the PHA informal hearing will be conducted remotely, at the time the notice is sent to the family, the family will be informed:</p> <ul style="list-style-type: none"> • Regarding the processes involved in a remote informal hearing; • That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal hearing, the family may inform the PHA and the PHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal hearing, as appropriate. |
| 14-10 | <p><u>CHA Policy</u></p> <p>The PHA will send written notice, either by mail or email, to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family’s immigration status.</p> |
| 14-16 | <p>14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]</p> <p>HUD regulations state that any grievance must be personally presented, either orally or in writing, to the PHA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.</p> <p><u>CHA Policy</u></p> <p>An informal grievance will also be known as a settlement conference.</p> |

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| | <p>The PHA will accept requests for an informal settlement of a grievance either orally or in writing (including emailed requests), to the PHA office within 10 business days of the grievable event. Within 10 business days of receipt of the request the PHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant. The informal settlement may be conducted remotely as required by the PHA or may be conducted remotely upon consideration of the request of the tenant. See 14-III.G for information on how and under what circumstances remote informal settlements may be conducted.</p> <p>If a tenant fails to attend the scheduled meeting without prior notice, the PHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.</p> <p>Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.</p> |
| 14-17 | The PHA may select designated staff members who were not involved in the decision under appeal in certain circumstances, such as appeals involving discrimination claims or denials of requests for reasonable accommodations. |
| 14-19 | <p>14-III.F. SELECTION OF HEARING OFFICER [24 CFR 966.53(e)]</p> <p>The grievance hearing must be conducted by an impartial person or persons appointed by the PHA, other than the person who made or approved the PHA action under review, or a subordinate of such person. The PHA must describe their policies for selection of a hearing officer in their lease.</p> <p><u>CHA Policy</u></p> <p>PHA grievance hearings will be conducted by a single hearing officer and not a panel.</p> <p>The PHA will appoint an impartial person who was not involved in the decision under appeal. If a designated staff member (such as the program manager) was involved in the decision, or is a subordinate of such person, an alternate hearing officer will be selected.</p> <p>The PHA will utilize students and/or staff from the Charleston School of Law.</p> <p>PHAs must describe their policies for selection of a hearing officer in their lease forms. Changes to the public housing lease are subject to a 30-day comment period [24 CFR 966.4].</p> |
| 14-24 | <p><u>CHA Policy</u></p> <p>If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 15 minutes. If the tenant appears within 15 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 15 minutes of the scheduled time, they will be considered to have failed to appear.</p> |

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| | <p>If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.</p> <p>“Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.</p> |
| 14-25 | <p>The complainant or the PHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)].</p> <p><u>CHA Policy</u></p> <p>The PHA will not tape any hearings, video or audio.</p> |
| 15-10 | <p>PHA Reimbursement to Family</p> <p><u>CHA Policy</u></p> <p>The PHA will reimburse the family for any overpayment of rent, if the tenant receives a utility reimbursement payment and the credit balance exceeds \$100.</p> |
| 15-12 | <p>15-II.C. PHA-CAUSED ERRORS OR PROGRAM ABUSE</p> <p>The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the PHA personnel policy.</p> <p>PHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.</p> <p>The following policy is effective upon the PHA’s HOTMA 102/104 compliance date:</p> <p>De Minimis Errors [24 CFR 5.609(c)(4); Notice PIH 2023-27]</p> <p>The PHA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.</p> <p>PHAs must take corrective action to credit or repay a family if the family was overcharged rent, including when PHAs make de minimis errors in the income determination. Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. PHAs state in their policies how they will</p> |

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| | <p>repay or credit a family the amount they were overcharged as a result of the PHA's de minimis error in income determination.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>The PHA will reimburse a family for any family overpayment of rent.</p> |
| 16-3 | <p>16-I.B. UTILITY ALLOWANCES</p> <p>The PHA must establish separate allowances for each utility and for each category of dwelling units the PHA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].</p> <p>The objective of a PHA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].</p> <p>Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the PHA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].</p> <p>Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].</p> <p>Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location, and siting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].</p> <p>Chapter 14 of the <i>PH Occupancy Guidebook</i> provides detailed guidance to the PHA about establishing utility allowances.</p> <p style="text-align: center;"><u>CHA Policy</u></p> <p>The PHA will contract with a third party to conduct a utility study to establish the utility allowance for each development.</p> |
| 16-4 | <p>Utility Allowance Revisions [24 CFR 965.507]</p> <p>The PHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505. The review must include all changes in circumstances (including completion of modernization and/or other energy conservation measures implemented by the PHA) indicating probability of a significant change in reasonable requirements and changes in utility rates [24 CFR 965.507(a)].</p> <p>The PHA must revise its allowances for resident-purchased utilities if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not</p> |

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| | <p>adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.</p> <p>Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective. Such rate changes are not subject to the 60-day notice [24 CFR 965.507(b)].</p> <p style="text-align: center;"><u>CHA Policy</u></p> <p style="text-align: center;">The PHA will revise its utility allowances on an annual basis.</p> |
| 16-10 | <p>16-II.B. FLAT RENTS [24 CFR 960.253(b) and Notice PIH 2022-33]</p> <p>Establishing Flat Rents</p> <p>The 2015 Appropriations Act requires that flat rents must be set at no less than 80 percent of the applicable fair market rent (FMR). Alternatively, the PHA may set flat rents at no less than 80 percent of the applicable small area FMR(SAFMR) for metropolitan areas, or 80 percent of the applicable unadjusted rents for nonmetropolitan areas.</p> <p>For areas where HUD has not determined a SAFMR or an unadjusted rent, PHAs must set flat rents at no less than 80 percent of the FMR or apply for an exception flat rent.</p> <p>The 2015 Appropriations Act permits PHAs to apply for an exception flat rent that is lower than either 80 percent of the FMR or SAFMR/unadjusted rent if the PHA can demonstrate, through the submission of a market analysis, that these FMRs do not reflect the market value of a particular property or unit and HUD agrees with the PHA’s analysis. The market analysis must be submitted using form HUD-5880, “Flat Rent Market Analysis Summary.”</p> <p>PHAs must receive written HUD approval before implementing exception flat rents. PHAs with a previously approved flat rent exception request may submit a written request to extend the approved flat rents for up to two additional years, provided local market conditions remain unchanged. Detailed information on how to request exception flat rents can be found in Notice PIH 2022-33.</p> <p>PHAs are now required to apply a utility allowance to flat rents as necessary. Flat rents set at 80 percent of the FMR must be reduced by the amount of the unit’s utility allowance, if any.</p> <p style="text-align: center;"><u>CHA Policy</u></p> <p style="text-align: center;">Flat rents will be configured utilizing the SAFMR for each zip code within the public housing jurisdiction.</p> |
| 16-13 | <p style="text-align: center;">PART III: FAMILY DEBTS TO THE PHA</p> <p>16-III.A. OVERVIEW</p> <p>Families are required to reimburse the PHA if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to</p> |

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| | <p>determine retroactive rent amounts as far back as the PHA has documentation of family unreported income [Notice PIH 2018-18].</p> <p>This part describes the PHA’s policies for recovery of monies owed to the PHA by families.</p> <p><u>CHA Policy</u></p> <p>When an action or inaction of a resident family results in the underpayment of rent or other amounts, the PHA holds the family liable to return any underpayments to the PHA.</p> <p>The PHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover the difference between the correct payments and previous underpayments by the family.</p> |
| 16-14 | <p>General Repayment Agreement Guidelines</p> <p><i>Down Payment Requirement</i></p> <p><u>CHA Policy</u></p> <p>Prior to the execution of a repayment agreement, the family balance must be brought down to 50 percent. Therefore, any amount owed in excess of 50 percent must be paid before granting the family a repayment agreement.</p> |
| 16-25 | <p style="text-align: center;">PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL</p> <p>16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e); Notice PIH 2017-13]</p> <p>The PHA has certain responsibilities relative to children with elevated blood lead levels (EBLL) that are living in public housing.</p> <p>The PHA must report the name and address of a child identified as having an EBLL to the public health department within five business days of being so notified by any other medical health care professional. The PHA must also report each known case of a child with an EBLL to the HUD field office.</p> <p><u>CHA Policy</u></p> <p>The PHA will provide the public health department written notice of the name and address of any child identified as having an EBLL.</p> <p>The PHA will provide written notice of each known case of a child with an EBLL to the HUD field office, and to HUD’s Office of Lead Hazard Control (OLHCHH), within five business days of receiving the information.</p> |
| 16-33 | <p>Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]</p> <p>The PHA has the discretion to provide benefits to an individual based solely on the individual’s statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends</p> |

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| | <p>documentation in a confidential manner when a verbal statement or other evidence is accepted.</p> <p><u>CHA Policy</u></p> <p>If the PHA accepts an individual’s statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the PHA will document acceptance of the statement or evidence in the individual’s file. Supporting documentation can consist of the following:</p> <ul style="list-style-type: none">• Police Report• Victim’s Advocate Statement• Court Documentation |
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