

HOUSING AUTHORITY OF THE CITY OF SEATTLE
MANUAL OF OPERATIONS

SUBJECT: Low Income Public Housing Tenant Trust Account

SCOPE: This policy shall apply to all Federally-subsidized public housing programs and units administered by SHA, under the Seattle Housing Authority's "Moving To new Ways" Plan, unless specifically noted. *(Note: Rent and related policies for public housing residents of HOPE VI communities are governed by the management plans for those communities.)*

POLICY:

The Seattle Housing Authority (SHA), in accordance with Board Resolution 4785, adopted June 20, 2005, has developed and implemented a public housing rent policy that has as a key element a Tenant Trust Account Program (TTA), designed to enhance residents' ability to become economically self-sufficient. SHA shall establish a Trust Account on behalf of eligible households who choose to participate and set aside a portion of the household's monthly rent payment for deposit into the Trust Account. Eligibility for the TTA and use of the Trust funds shall be governed by the rules set forth by SHA in this policy that may be revised from time to time.

IMPLEMENTATION POLICY:

Only households with earned income (including unemployment compensation) are eligible for this benefit.

Eligibility.

Any household whose income is in whole or in part from wages, that may include unemployment benefits, shall be eligible for a Tenant Trust Account if all the following criteria are met:

1. Income from wages or unemployment benefits exceeds \$15,000/year¹.
2. Not currently under eviction
3. Rent is less than SHA-established market rent for the unit
4. Not currently on SHA's Family Self-Sufficiency Program
5. Lifetime contributions to the Tenant Trust Account have not exceeded \$10,000

Participation.

Households will be notified by letter of their eligibility for participation in the TTA Program. Participation is not automatic. The Head of Household must "opt in" to the Program and contact the TTA Specialist to enroll.

¹ Equivalent to a 30 hour per week job at a typical entry level wage of \$10 per hour.

Monthly Deposits.

SHA will establish a “threshold rent amount” which equals the average operating cost² per public housing unit plus \$50.00. This threshold amount shall be reviewed and adjusted annually. For eligible households whose rent is less than the threshold rent amount, the monthly TTA deposit will be \$10 per month. For eligible households whose rent equals or exceeds the threshold amount, SHA will deposit 30 percent (30%) of every dollar the household pays in rent above the threshold amount into a TTA. The minimum deposit will be \$15 and the maximum monthly deposit will be \$170 dollars.

At any time the household fails to meet one of the criteria stated above in Section A, monthly deposits will cease. Once the household again meets all of the criteria, monthly deposits will automatically resume.

When a household begins participating in SHA’s Family Self-Sufficiency Program, any balance amount in the Tenant Trust Account will be transferred to the Family Self-Sufficiency Program Escrow Account, the residents’ participation in the TTA program will end and the Trust account will be closed.

Households may contribute a lifetime maximum of \$10,000. Monthly deposits will cease when a household has reached the lifetime maximum.

Adjustments.

In the event an adjustment is made to the household’s income or rent amount, either an increase or decrease and regardless of reason, SHA shall also adjust the residents’ monthly TTA deposit amount accordingly.

Interest.

SHA will invest the Tenant Trust Account Funds in a prudent manner and use the interest on the accounts to pay for the cost of administering the TTA program.

Permitted uses.

Use of the TTA funds shall be restricted to expenses for career-related education, home ownership, and starting a business based on a documented business plan, such as:

1. an adult household member’s expenses for career-related education, to include tuition, equipment, and/or books;
2. an adult household member’s expenses related to the startup of a business³, to include: licenses, marketing, advertising, classes, merchandise, equipment and supplies, and other expenses as specified in the business plan;
3. costs related to home ownership to include earnest money, credit reports, inspection costs, a down-payment, closing costs.

² Average operating cost shall be based on the total operating expenses of all public housing units.

³ The period of time considered the “start up” of a business will include the first year of operation.

Rev: 04-01-06 Updated in accordance with Board Resolution No. 4785, passed June 20, 2005

Rev: 12-01-06 Clarified timing of TTA deposits in procedures.

Emergency Use.

A lifetime maximum of \$1,000 may be used as an emergency fund for the resident's household.

Disbursements.

Disbursement of TTA funds shall be restricted to written requests from the Head of Household only and shall be subject to review and approval by the TTA Specialist. Approval shall be limited to requests that meet permitted uses as outlined in this policy and that are supported by documentation of the expense(s)

The number of disbursements shall be limited to four in a twelve-month period. For emergency use the limit shall be two in a twelve-month period. A \$50.00 minimum will be required for each withdrawal request.

Processing of disbursements may take up to 30 days for processing.

Fraud.

In the event a resident commits fraud against SHA that resulted in an overpayment of housing assistance, as defined in SHA's Manual Section L12.4-2, Fraud Policy, the residents' participation in the TTA will cease, and the balance of the TTA will revert back to SHA. The resident may not participate in the TTA program again until the full balance of the overpayment has been repaid to SHA.

Dormant Accounts.

If a TTA is dormant for 24 months, meaning that no withdrawals or deposits are made, the balance of the account shall revert back to SHA.

Vacating.

Upon vacating, a resident in good standing with SHA, leaving the unit in good order and owing no money to SHA, shall have access to unused TTA balance of \$50.00 or more. The resident's access to any unused TTA balance will be limited to: a) The entire TTA balance may be used for purchase of a home as specified above; b) For households not purchasing a home, any funds available to be drawn from the TTA as part of the \$1000 emergency fund can be used for documented, (by written quote, invoice/billing, or receipts,) moving costs when a resident moves out of public housing in good standing, to include truck rental or moving services, packing supplies, utility disconnect / hook-up fees, security deposit and first and last month's rent on a rental unit. No funds shall be used to pay for vacates costs or debts owed to SHA. All other TTA balances will revert to SHA.

A home inspection prior to vacating may be required prior to approval of any request for withdrawal.