

Chapter 14

RECERTIFICATIONS

[24 CFR 982.516]

In accordance with HUD requirements and SHA's Moving to Work Plan, SHA will re-examine the income and household composition of all families regularly. Recertifications and interim re-examinations will be processed in a manner that ensures families are given reasonable notice of decreases in the Housing Assistance Payment and corresponding increases in tenant rent (hereafter referred to as rent increases). This Chapter defines SHA's policy for conducting annual recertifications. It also explains the interim reporting requirements for families, and the standards for timely reporting of changes in family income or composition.

A. Regularly Scheduled Annual, Biannual and Triennial Activities [24 CFR 982.516, 982.405]

There are three activities SHA must conduct on a regular basis:

1. Recertification of income and family composition;
2. Update family income, VPS and UA between triennial recertifications, and
2. HQS inspection

SHA will complete a recertification of families with MTW voucher assistance whose total household income consists of one or more of the following on a triennial basis: Social Security, SSI, VA benefits, pension. Other families will be recertified annually.*

B. Recertification/Re-Examination [24 CFR 982.516]

Moves Between Re-Examinations

When a family moves to another dwelling unit, the annual recertification will not be re-scheduled to correspond with the effective date of the new HAP Contract.

Income limits are not used as a test for continued eligibility at recertification.

Re-Examination Notice to the Family

SHA will maintain a re-examination tracking system and the household will be notified by mail of the recertification requirements at least 90 to 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, SHA will provide the notice in an accessible format. SHA will also mail the notice to a third-party, if requested as reasonable accommodation for a person with disabilities.

* Triennial recertifications were included in SHA's 2010 MtW Plan and implemented in phases beginning with May 2010 anniversary dates.

Completion of Annual Recertification or Update and Notice of Change in Rent

SHA will complete annual recertifications or updates for families before the anniversary date, including notifying the family of any increases in rent at least 30 days before the anniversary date. If the family's rent portion remains the same or decreases, SHA may give less than 30 days written notice to the family.

Persons with Disabilities

Persons with disabilities who are unable to complete their review by mail will be granted an accommodation which includes conducting the interview at the person's home or other location, as requested by the family, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information [24 CFR 982.516(f)]

SHA will require the family to complete a Personal Declaration form prior to the completion of an annual recertification.

SHA will mail the Personal Declaration and all other required documents to the family along with a Notice of Annual Review of Eligibility letter. This letter will specify the date and time by which the family must return their documents to SHA.

At the request of the family, SHA will conduct the annual recertification in person at SHA's PorchLight location. The family may call to request an appointment up to 1 day prior to the document submission deadline date.

Requirements to Attend

In cases where the family has requested an in-person interview, the head of household is required to attend the recertification interview. If the head of household is unable to attend the interview, the appointment will be rescheduled.

Failure to Respond to Notification to Recertify

If the family fails to submit some or all of their required documents by the deadline noted in the first notification letter, and has not made prior arrangements with SHA, SHA will mail a second notification letter to the family. The second letter will outline the steps necessary for the family to complete their review, and will be attached to another set of review forms for the family to complete.

If the family fails to respond to the second notice, and has not rescheduled or made prior arrangements, SHA will send the family notice of termination and offer them an informal hearing.

Exceptions to these policies may be made by the Occupancy Supervisor if the family is able to document an emergency situation that prevented them from responding to the recertification notices, or, if requested, as a reasonable accommodation for a person with a disability.

Documents Required From the Family

In the notification letter to the family, SHA will include instructions for the family to submit the following:

1. Documentation of all income declared by the family on their Personal Declaration and/or as requested by SHA;
2. Verification of all assets, when the total value of assets is equal to or greater than \$50,000 (\$5,000 for tax credit units);†
3. Documentation of any deductions/allowances declared by the family;
4. Personal Declaration form completed by head of household, and signed and dated by all family members age 18 and older;
5. Authorization for the Release of Information Forms completed by head of household, and signed and dated by all family members age 18 and older; and

Verification of Information

SHA will follow the verification procedures and guidelines described in Chapter 9. Tenant-supplied verification documents for re-examinations must be current within 90 days of the submission deadline date stated in the family's initial notification letter.

Tenant Rent Increases

If tenant rent increases, a 30-day notice is mailed to the family prior to the scheduled effective date of the annual recertification or update.

If less than 30 days are remaining before the scheduled effective date of the annual recertification or update, the tenant rent increase will be effective on the first of the month following the 30-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

Tenant Rent Decreases

If tenant rent decreases, the decrease will be effective on the anniversary date.

† The asset threshold was raised to \$50,000 (\$5,000 for tax credit units) using Seattle Housing's Move to Work Authority effective with new applications received on or after September 1, 2010 and, for existing participants, with Annual Reviews effective January 1, 2011 and after.

If the family causes a delay so that the processing of the re-examination is not complete by the anniversary date, the rent change will be effective on the first day of the month following completion of the re-examination processing by SHA.

Families qualified for Triennial Recertifications

During the years that a recertification is not conducted, an Annual Update will be completed to update any changes in Utility Allowances, Voucher Payment Standards and to reflect standardized changes to fixed income sources due to annual cost of living increases as published by the Social Security Administration and the Veterans Administration.

Families will be notified in writing that an Annual Update has been processed which will include any changes to the Housing Assistance Payment and tenant share of the rent.

Hardship Policy

If a participant family has been placed on the Triennial recertification schedule and believes this to create a hardship on the family, a waiver may be requested in writing to the Housing Authority. Hardship waivers will be reviewed by the HCV Occupancy Manager. Waivers will be granted if it is determined that there would be a reduction in the family's portion of housing costs as a result of a complete reexamination.

C. Reporting Interim Changes [24 CFR 982.516]

Additional Family Members

Program participants must report all changes in household composition to SHA between annual or triennial re-examinations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain SHA approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. SHA will conduct an interim re-examination to review such additional income and will make the appropriate adjustments in the Housing Assistance Payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required before moving into the unit.

Increases in Income

Families are required to report all increases in income/assets, in writing, within 10 business days of the change.

Interim Re-Examination Policy[‡]

Effective October 1, 2005, for all income received after October 1, 2005, SHA shall conduct interim re-examinations to increase rent when families report an increase in income in the following cases:

1. Interim household additions;
2. Any increase in income when a family previously reported no income source;
3. An increase in income that is greater than \$100 per month; and
4. Written request from the family (example: FSS family who receives interim increase in family income wishes to increase their rent so that their FSS escrow will increase).

SHA may conduct interim re-examinations when families report increases in income in other circumstances, if:

1. The increase will have a material effect on the family's TTP (greater than 10 percent); or
2. The increase follows a decrease in income, which resulted from the participant's voluntary action (e.g., a request to an employer to decrease hours, or a request to DSHS to reduce or eliminate TANF payments).

Decreases in Income

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. SHA must calculate the change in tenant rent if a decrease in income is reported.

SHA Error

If the Housing Authority discovers that it has made an error that has a substantial effect upon a tenant family's rent subsidy, it will take necessary steps to correct the error and make adjustments to the tenant's subsidy calculation.

If correction of the error would have an adverse affect on the tenant family (e.g. a reduction in Housing Assistance Payments to the owner) then the Housing Authority will provide the family with a 30-day notice of the rent increase. The rent increase will be effective the first day of the month after the expiration of the 30-day notice of the new rent amount. Neither the family nor the owner will be asked to repay funds for an error that they did not cause.

If correction of the error would be favorable to the tenant (e.g. a retroactive increase in Housing Assistance Payments to the owner) then the Housing Authority will calculate the adjustment amount from the point at which the error was made to the month during which the error was corrected. The adjustment amount will be credited to the owner's account or be paid to the tenant in one of the following ways:

[‡] Revised July 2005 per Resolution 4784, passed by the Seattle Housing Authority Board of Commissioners on June 20, 2005

- If the tenant is still in the unit and the period of incorrect HAP is within the current calendar year then a check will be issued to the owner with a copy of the notification being sent to the tenant. The owner will be responsible for adjusting the rent accordingly or for issuing a refund to tenant.
- If the tenant is still in the unit and the period of incorrect HAP spans a previous calendar year, then a check will be issued to the tenant at the tenant's current address.
- If the tenant is still in the program but not in the same unit then a check will be sent to tenant at tenant's current address.
- If the tenant is no longer in the program then notification will be sent to the tenant at the tenant's last known address advising them to contact us to resolve an error in their previous program participation. Reserve details of the reconciliation until the tenant contacts us and confirms their identity.

Automatic Welfare Reductions

DSHS revamped the General Assistance program as Disability Lifeline in the fall of 2010. The maximum monthly Disability Lifeline cash grant reduced from \$339 per month to \$266 per month effective Jan. 1, 2011 and from \$266 to \$197 per month effective April 1, 2011. To ease the transition for our participants, SHA automatically reduced the dollar amount based on written notification from DSHS by processing reviews effective January 1, 2011 and April 1, 2011 for all current recipients without requiring documentation from the participant.

DSHS also reduced TANF grant amounts effective February 1, 2011 and, in response to written notification from DSHS, SHA automatically processed reviews reducing the dollar amount. Effective May 1, 2011, DSHS further reduced TANF grant amounts for households with 5 or more members and suspended child support pass-through payments. SHA again automatically processed reviews reducing the TANF amount and/or removing the child support pass-through payment income.

D. Other Interim Reporting Issues

An interim re-examination does not affect the date of the annual recertification, but may affect the date of a triennial recertification.

Most interim reviews will be conducted through the mail unless the family requests that the review take place in person.

Any changes reported by participants, other than those listed in Section C above, will be noted in the file, but will not be processed between regularly-scheduled annual recertifications.

E. Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615]

SHA will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

1. Fraud in connection with the welfare program; or
2. Non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, SHA will reduce the rent if the welfare assistance reduction is a result of:

1. The expiration of a lifetime time limit on receiving benefits;
2. A reduction in welfare assistance resulting from the family's failure to obtain employment, after having complied with welfare program requirements; or
3. A reduction in welfare assistance resulting from a family member's failure to comply with other welfare agency requirements.

Families Affected by Welfare Rules

Families are affected by the welfare rules discussed above if they receive benefits for welfare or public assistance from a state or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

Definition of "Imputed Welfare Income"

"Imputed welfare income" is the amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by SHA, based on written information supplied to SHA by the welfare agency, including:

1. The amount of the benefit reduction;
2. The term of the benefit reduction;
3. The reason for the reduction; and
4. Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim re-examination, during the term of the welfare benefits reduction specified by the welfare agency.

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

Verification Before Denying a Request to Reduce Rent

SHA will obtain written verification or verbal phone verification from the welfare agency stating that the family's benefits have been reduced due to fraud or non-compliance with welfare agency economic self-sufficiency or work activity requirements before denying the family's request for rent reduction.

SHA will rely on the welfare agency's written notice or verbal phone verification regarding welfare sanctions.

Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income, the Certification Specialist II or HCV Supervisor will review the calculation for accuracy. If SHA denies the family's request to modify the amount, SHA will provide the tenant with a notice of denial, which will include:

1. An explanation for SHA's determination of the amount of imputed welfare income;
2. A statement that the tenant may request an informal hearing; and
3. A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be SHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

F. Notification of Results of Recertifications and Annual Updates [HUD Notice PIH 98-6]

The HUD Form 50058 will be completed and transmitted as required by HUD.

A contract and lease amendment noting the changes in rent portions is mailed to the owner and the tenant. If the family disagrees with the rent adjustment, they may request an informal hearing.

G. Timely Reporting of Changes in Income and Assets [24 CFR 982.516(c)]

Standard for Timely Reporting of Changes

SHA requires that families report interim changes to SHA in writing within 10 business days of when the change occurs. Any information, document or signature needed from the family, which is needed to verify the change, must be provided by the deadline specified by SHA.

Family Requests for Interim Reviews by 10th of the Month

All participant requests for interim reviews must be submitted in writing no later than the 10th of each month in order to be effective the first of the following month. If a family's request is received after the 10th, or if the majority of relevant documentation is submitted after the deadline issued by the Certification Specialist, the family's review will not be effective until the month following the next immediate month, or whenever the family finally submits all relevant documentation. All requests for exceptions to the above standards will be referred to the appropriate Occupancy Supervisor for final decision and follow-up. If the change is not reported

within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

SHA will notify the family and the owner of any change in the Housing Assistance Payment, which will take effect according to the following guidelines:

1. Increases in the tenant rent are effective on the first of the month following at least a 30-day notice; and
2. Decreases in the tenant rent are effective the first of the month following the month in which the change is reported, within the limitations described above for timely notification of reduced income. In general, rent reductions will not be processed until all the facts have been verified. However, a change may be implemented based on documentation provided by the family, pending third-party written verification.

Procedures When the Change is Not Reported by the Family in a Timely Manner

If the family does not report the change as described above, the family will have caused an unreasonable delay in the interim re-examination processing and the following guidelines will apply:

1. Increase in tenant rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a repayment agreement; and
2. Decrease in tenant rent will be effective on the first of the month following the month that the change was reported, assuming the family complies with all SHA-required document submission deadlines.

Procedures When the Change is Not Processed by SHA in a Timely Manner

“Processed in a timely manner” means that the change goes into effect on the date it should, by policy, when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by SHA in a timely manner.

In the event that a change is not processed by SHA in a timely manner, an increase will be effective after the required 30-day notice prior to the first of the month after completion of processing by SHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the owner will be credited for the amount the HAP was underpaid. The owner will then be responsible for crediting or reimbursing the family for any rent they overpaid during this period.