DAKOTA COUNTY
COMMUNITY DEVELOPMENT AGENCY (CDA)

GATEWAY PLACE
ADMISSIONS AND CONTINUED OCCUPANCY POLICY

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Part I

DEFINITIONS

Annual Income: The HTC Program uses HUD's definition of "annual income" as contained in the U.S. Housing Act of 1937 as amended. HUD's definition of annual income is very specific and is not simply the amount contained on tax returns.

Annual income is the gross income the household anticipates it will receive from all sources, including all net income derived from assets, during the 12-month period following the effective date of the income certification or recertification. This includes income received by all adult members of the household (18 years of age and older, including full-time students), and unearned income of minor children. In addition, persons under the age of 18 who have entered into a lease under state law are treated as adults, and their annual income must also be counted. These persons will be either the head, spouse, or co-head; they are sometimes referred to as emancipated minors.

Please note that annual income is not the same as adjusted income. Annual income generally corresponds to gross income, with no adjustments (deductions) for child-care, medical expenses, dependents, etc. Adjusted income is used in some federal housing programs, such as Section 8 and Rural Development Section 515, to determine the level of benefit provided to a household. However, it is not used in the HTC Program.

Total Income from all Sources = Annual Income

Earned/ Unearned Income	+	Income from assets	=	Annual Income

Annual income has two components: Earned/Unearned income and Asset income.

Earned/Unearned income includes the following sources: gross wages and salaries including tips and overtime; gross income from social security or welfare; and payments in lieu of earnings (e.g., unemployment compensation, workers' compensation). There are certain mandated inclusions and exclusions which apply when determining earned/unearned income.

Asset income is the amount generated by bank accounts, retirement accounts, real estate, and other investments. Assets are items of value, other than necessary personal items, and are considered along with verified income to determine the eligibility of a household. Please refer to the HUD Handbook 4350.3 for a complete listing and discussion of earned/unearned income and asset income.

The following are examples of income that are included in Annual Income. Also listed are specific types of income that are excluded. Generally, if a particular type of income is not specifically mentioned as being excluded, then it is included in Annual Income:

• Interest, dividends and other income from net family assets;

• The gross amount (before any payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services of all adults in the household (including foster adults and persons under the age of 18 who are the head, spouse or co-head). This includes salaries of adults received from a family-owned business.

• Net income, salaries, and other amounts distributed from a business.

A. Self-Employed Income - The following documents show income verification for the previous year. Owners or their agents must consult with tenants and use this data to estimate income for the next 12 months:

• Copy of individual federal income tax return (1040) including any:
  - o Schedule C (Small Business)
  - o Schedule E (Rental Property Income)
  - o Schedule F (Farm Income);

• Copy of Corporate or Partnership tax return (if applicable);
• Audited or unaudited financial statement(s) of the business (such as a recent profit and loss statement); and
• Applicant's notarized statement or affidavit as to net income realized from the business during previous year.

Note: All tax returns and related documents must be signed and dated if not filed electronic.

If the business is new and the resident has not yet filed a tax return showing income from a business, a Self-Employment Verification – New Business should be completed and the resident must self-certify the anticipated net income from the business. Attach any available supporting documents (trip sheets, financial statements, contracts, etc.). Self-employment can be annualized for the current year business activity based on the number of full months in business. The formula is:

$$\frac{\text{(Net Income Year to Date) x 12 months}}{\text{Number of Months in business during the current year}}$$

• The gross amount (before any deductions for Medicare, etc.) of periodic social security payments. Include payments received by adults on behalf of individuals under the age of 18 including foster children or by individuals under the age of 18 for their own support);

The following documentation is required to verify the income derived from the above sources:

• Copy of award or benefit statement listing the gross monthly benefit. This statement is issued when the benefit commences or when a change in the benefit occurs, such as a cost of living adjustment. If an eligible applicant/tenant does not have a dated benefit statement from Social Security that is no older than 120 days which lists the gross monthly benefit, the eligible tenant (or rental applicant) may call the local office of the Social Security Administration or online and request a verification. The Social Security Administration has stated that benefit statements will arrive in the mail in about 10 days after the request was received. The benefit statement is mailed to the applicant/tenant, who must then provide a copy to the owner.

• The full amount of periodic amounts received from annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts (e.g., Black Lung Sick Benefits, Veterans Disability, Dependent Indemnity Compensation (widow of killed in action serviceman). The withdrawal of cash or assets from an investment received as periodic payments should be counted as income. If benefits are received through periodic payments, do not count any remaining amounts in the account as an asset;

o Federal Government/Uniformed Services pension funds paid directly to an applicant's/tenant's former spouse pursuant to the terms of a court decree of divorce, annulment, or legal separation are not counted as annual income. The state court has, in the settlement of the parties' marital assets, determined the extent to which each party shares in the ownership of the pension. That portion of the pension that is ordered by the court (and authorized by the Office of Personnel Management (OPM), to be paid to the applicant's/tenant's former spouse is no longer an asset of the applicant/tenant and therefore is not counted as income. However, any pension funds authorized by OPM, pursuant to a court order to be paid to the former spouse of a Federal government employee is counted as income for a tenant/applicant receiving such funds.

o Other state, local government, social security or private pension funds paid directly to an applicant's/tenant's former spouse pursuant to the terms of a court decree of divorce, annulment, or legal separation are also not counted as annual income and should be handled in the same manner as above. The decree and copies of statements should be obtained in order to verify the net amount of the pension that should be applied in order to determine eligibility and calculate rent.

o In instances where the applicant/tenant is a retired Federal Government/Uniformed Services employee receiving a pension that is determined by a state court in a divorce, annulment of marriage, or legal separation proceeding to be a marital asset and the court provides OPM with the appropriate instructions to authorize OPM to provide payment of a portion of the retiree's

pension to a former spouse, that portion to be paid directly to the former spouse is not counted as income for the applicant/tenant. However, where the tenant/applicant is the former spouse of a retired Federal Government/Uniformed Services employee, any amounts received pursuant to a court ordered settlement in connection with a divorce, annulment of marriage, or legal separation are reflected on a Form-1099 and is counted as income for the applicant/tenant.

oOther state, local government, social security or private pensions where pensions are reduced due to a court ordered settlement in connection with a divorce, annulment of marriage, or legal separation and paid directly to the former spouse are not counted as income for the applicant/tenant and should be handled in the same manner as above.

• Delayed periodic payments received because of delays in processing unemployment, welfare or other benefits.

• Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay. Any payments that will begin during the next 12 months must be included. These amounts must be annualized unless there is clear documentation that such payments are limited to a defined time period.

Unemployment compensation may be verified by a verification form completed by the unemployment compensation agency, records from the unemployment office stating payment dates and amount, or a print-out of the applicant/tenant's unemployment information from the unemployment office's official web site. Note that such print-outs may not contain the person's name only their account number. If the print-out does not contain the person's name, have the applicant/tenant sign and date the print-out with a short statement that this information accurately represents his or her account information.

B. Student Financial Assistance - All forms of student financial assistance (grants, scholarships, educational entitlements, work study programs, Bureau of Indian Affairs student assistance programs and financial aid packages) are excluded from annual income except for students receiving Section 8 assistance. This is true whether the assistance is paid to the student or directly to the educational institution.

For students receiving Section 8 assistance, all financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition and any other required fees and charges (see HUD Notice H2015-12) is included in annual income except if the student is over the age of 23 with dependent children or the student is living with his or her parents who are receiving Section 8 assistance. See Paragraph 3-13 of HUD Handbook 4350.3 for further information on eligibility of students to receive Section 8 assistance and the Glossary for the definition of Student Financial Assistance.

This rule applies to both part time and full-time students.

C. Welfare assistance - Documentation Required: To verify income from welfare or public assistance, a written statement from the welfare agency is required. The statement should address the type and amount of assistance the family is currently receiving and note any changes in assistance expected during the next 12 months. Some agencies no longer complete verification forms: preferred second party verification is an online printout or a current award letter.

   Annual Income for Section 8 Household: The annual income for a household receiving housing assistance payments under Section 8 may be verified by obtaining a statement from the Public Housing Authority (PHA). The owner must submit the Verification of Section 8 Eligibility form to the PHA for completion. If the form shows that the tenant's income does not exceed the applicable income limit, the household is eligible to occupy a rent-restricted unit. This form then "replaces" all other verifications of income and assets.

   Please note: The annual income is the gross annual income without any adjustments or Section 8 Program allowances. Due to the seriousness of accurate income eligibility, Minnesota Housing recommends that the owner/owner's agent verify and calculate the household income directly from the source(s) and not rely on PHA verification for initial certifications.

D. Alimony and child support awarded by the court: Owners must count alimony or child support amounts awarded by the court unless the applicant/tenant certifies that payments are not being made and that he or she has taken all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment.

   Documentation Required: If alimony or child support is being received, obtain one of the following:

   - Verification form completed by the person paying the support.
   - Verification form completed by the support enforcement office as to amounts being paid.
   - Copy of a separation or settlement agreement or copy of a divorce decree stating the amount and type of support and payment schedule.
   - A copy of the latest check.
   - When no documentation of child support, divorce, or separation is available, either because there was no marriage or for another reason, the owner may accept a certification from the family stating the amount of child support received.

   In many cases, child support has been court ordered but the full amount is not being received. If this is the case, verification from the child support enforcement

agency will be sufficient. Or, request tenant to provide a statement attesting to the fact that support payments are not being received; the likelihood of support payments being received in the future, and that a reasonable effort has been made to collect the amounts due.

Alimony or child support paid by a member of the household is not deducted from income, even if it is garnished from wages.

E. Recurring monetary or non-monetary contributions or gifts regularly received from persons not living in the unit**:** These sources may include rent, utility and other payments paid on behalf of the household, and other cash or noncash contributions provided on a regular basis.

Documentation Required: Verification of continuing monetary or non-monetary gifts may be verified in one of two ways:

- A Regular Contributions Verification signed by the person providing the assistance stating the purpose, dates and value of the contributions and/or gifts; or
- A statement or affidavit from the tenant stating the purpose, dates and value of the gifts.

Groceries and/or contributions paid directly to the child care provider by persons not living in the unit are excluded from annual income.

Temporary, nonrecurring, or sporadic income (including gifts) is not counted.

- Relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- Actual income distributed from trust funds that are not revocable by or under the control of any member of the tenant family.
- All regular pay, special pay, and allowances of a member of the Armed Forces, except hostile fire pay. Note that until January 1, 2012, Basic Pay Allowance for housing is disregarded for properties located in a county that contains a qualified military installation to which the number of members assigned to units based out of the military installation as of June 1, 2008, has increased by 20 percent or more from December 31, 2005. This applies to the county that contains the military installation and also to adjacent counties. A qualified military installation is a military installation or facility with 1,000 or more members as of June 1, 2008.

Exclusions from Annual Income

- Income from employment of children (including foster children) under the age of 18 years;

• Meals on wheels or other programs that provide food for the needy; groceries provided by persons not living in the household; and amounts received under the School Lunch Act and the Child Nutrition Act of 1966 [42 U.S.C. 1780(b)], including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants and Children (WIC);

• Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

• Grants or other amounts received specifically for medical expenses, including Medicare premiums paid by an outside source, set aside for use under a Plan to Attain Self Sufficiency (PASS) and excluded for purposes of Supplemental Security Income eligibility, out of pocket expenses for participation in publicly assisted programs (such amounts must be made solely to allow participation in these programs. These expenses include special equipment, clothing, transportation, child care, etc.);

• Earnings in excess of $480 for each full-time student 18 years of age or older (excluding the head of household, co-head or spouse);
• Adoption assistance payments in excess of $480 per adopted child;
• Loans such as personal loans (see HUD Handbook 4350.3 on business loans which are **not** excluded);

• Temporary, nonrecurring or sporadic income (e.g., gifts);

• Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

• Special pay to a household member serving in the armed forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);

• For Section 8 tenants only, any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum or in prospective monthly amounts are excluded from annual income.

• Amounts received under training programs funded by HUD;

• Compensation from state or local employment training programs and training of a household member as resident management staff. Amounts excluded under this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance under the program by the state or local government;

• A resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives

coordination. No resident may receive more than one such stipend during the same period of time.

• Reparation payments made by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era.

• Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts (but these amounts are included in assets; see section addressing assets).

• Payments received for the care of foster children or foster adults.

• Amounts received in behalf of someone not living in the unit as long as the amounts are (i) not inter-mingled with the family funds, and (ii) used solely to benefit the person not residing with the family. For such amounts to be excluded, the individual must provide the owner with an affidavit stating that the amounts are received on behalf of someone who does not reside with the family and the amounts meet the conditions above.

• Recurring child care payments paid directly to a provider by persons not living in the unit.

Income Excluded by Federal Statute

(updated May 12, 2014, and published in the Federal Register, Vol. 79, No. 97 on May 20, 2014)

• The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 {7 U.S.C. 2017(b)}.

• Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions) {42 U.S.C. 5044(f)(1), 5058};

• Certain payments received under the Alaska Native Claims Settlement Act {43 U.S.C. 1626(c)} received from a Native Corporation;

• Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

• Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

• Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

• Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540 section 6);

• The first $2,000 of per capita shares received from judgment funds awarded by the Indian Gaming 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;

• Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), 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 not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);

• Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056g) (Green Thumb, Senior Aides, Older American Community Service Employment Program);

• Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (pub. L. 101-201) or any other fund established pursuant to the settlement in the In Re "Agent Orange" liability litigation. M.D.L. No. 381 (E.D.N.Y.); Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728);

• The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

• Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32 (l));

• 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);

• Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 [42 U.S.C. 12637(d)];

• Any allowance paid under the provisions of 38 U.S.C. 1933 (c), to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821);

• Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or

reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602);

• Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2));

• Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

• Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 [25 U.S.C. 1774f(b)];

• Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437 a(b)(4));

• Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L 111-269, 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101, et seq.) and administered by the Office of Native American Programs;

• A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al v. Ken Salazar et al., United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

• Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4));

• Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a)); and

• Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. . 93-288, as amended) and comparable disaster assistance provided by States, local governments and disaster assistance organizations (42 U.S.C. 5155(d)).

Income from Assets
Assets are items of value, other than necessary personal items, and are considered along with verified income to determine the eligibility of a household. Assets of all household members, including minors, foster children, and foster adults must be considered.

Verification of assets is required. The asset information (total value and income to be derived) **must** be obtained at the time of application or recertification. The applicant/tenant will affirm that this information is correct by executing the Tenant Income Certification, HTC 14.

Third party verification of assets is required when the combined value of assets exceed $5,000.

Effective October 11, 1994, an owner may satisfy the third party documentation requirement for a tenant's income from assets if the tenant submits to the owner a signed, sworn statement that the value of the combined assets is less than $5,000. The use of Minnesota Housing's form entitled Under $5000 Asset Certification, HTC 24 is required for this procedure. The form must also be used when an applicant/tenant declares there are no assets including checking and/or savings accounts. If a project is required to obtain third party verifications because of participation in another housing program (i.e., Section 8, HOME, RHS, etc.), or an owner's or management company's policy is to third-party verify assets, then do not also use the Under $5000 Asset Certification, HTC 24.

Note that neither the Under $5,000 Asset Certification nor third-party verification of assets is required if a Housing Choice Voucher recipient's gross annual household income is verified by the HRA/PHA on a Verification of Section 8 Eligibility form as these amounts will already have been verified and included by the HRA/PHA.

IRS Revenue Procedure 94-65 does not permit an owner to rely on a low-income applicant/tenant's signed, sworn statement of annual income from assets if a reasonable person in the owner's position would conclude that the tenant's income is higher than the tenant's represented annual income. In this case, the owner must obtain other documentation of the low-income tenant's annual income from assets to satisfy the documentation requirement of third party asset verification.

The following information is based upon the HUD Section 8 Program. The owner must use the definition of "Net Family Assets" in 24 CFR 813.102, which provides definitions for the HUD Section 8 Program.

Household Assets include:

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc. For savings accounts use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets. Balances held on re-fillable gift/debit cards are treated like savings accounts.

a. Documentation Required: Verification forms, account statements (must obtain 6 consecutive months of statements to determine 6 month average balance for checking accounts), passbooks, certificates of deposit, letters or documents from a financial institution or broker.

If an owner accepts an IRS Form 1099 from the financial institution, the owner must adjust the information to project earnings expected for the next 12 months.

In the case of real estate that is in the process of being foreclosed, satisfactory documentation would be 1) a copy of the most recent property tax statement showing the current market value of the home, and 2) a copy of the most recent mortgage statement or foreclosure notice showing the balance owed.

2. Revocable trusts. Include the cash value of any revocable trust available to the household.

3. Equity in rental property or other capital investment. Include the current fair market value less (a) any unpaid balance on any loans secured by the property; and (b) reasonable costs that would be incurred in selling the asset (i.e., penalties, broker fees, etc.). Note: If the person's main business is real estate, then count any income as business income. Do not count it as an asset and as business income.

a. Documentation Required: Only the interest portion of the monthly payment received by the tenant is included. For interest income from the sale of real property, if said property was sold on an installment sales contract, request:

i. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for the next 12 months. (A copy of the check(s) paid by the buyer to the tenant is NOT sufficient since appropriate breakdowns of interest and principal are not included.); or

ii. Amortization schedule showing interest for the 12 months following the date the purchaser intends taking occupancy.

b. For rental income from property owned by the tenant, request: i. IRS Form 1040 with Schedule E (Rental Income).

ii. Lease between the tenant and the tenant’s renter.

iii. Lessee's written statement identifying monthly payments due the tenant and tenant's affidavit as to net income realized.

4. Stocks, bonds, treasury bills, certificates of deposit, money market accounts, mutual funds. Interest or dividends earned are counted as income from assets even when the earnings are reinvested. The value of stocks and other assets vary from

one day to another. The value of the asset may go up or down the day before or after income is calculated and multiple times during the year thereafter. The owner may assess the value of these assets at any time after the authorization for the release of information has been received.

a. Documentation Required: Verification form, Broker's quarterly statements showing value of stocks or bonds and any earnings or dividends, or quotes from a stock broker as to net amount the family or household would receive if they liquidated securities, copy of most recent statement from asset source.

5. Individual retirement and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the individual is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count occasional withdrawals as income.)

6. Retirement (such as 401-k, 403-b) and pension funds. While the person is employed include only amounts the family can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs. At retirement, termination of employment, or withdrawal, periodic receipts from pension and retirement funds are counted as income. Lump sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income as provided below:

a. If benefits will be received in a lump sum, include the lump sum receipt as an asset.

b. If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account.

c. If the individual initially receives a lump sum benefit followed by periodic payments, count the lump sum benefit as an asset and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

d. In instances where the applicant/tenant is a retired Federal government employee receiving a pension that is determined by a state court in a divorce, annulment of marriage, or legal separation proceeding to be a marital asset and the court provides OPM with the appropriate instructions to authorized OPM to provide payment of a portion of the retiree’s pension to a former spouse, that portion to be paid directly to the former spouse is not counted as income for the applicant/tenant. However, where the tenant/applicant is the former spouse of a retired Federal government employee, any amounts received pursuant to a court ordered settlement in connection with a divorce, annulment, of marriage, or legal separation are reflected on a Form-1099 and is counted as income for the applicant/tenant.

7. Cash value of life insurance policies available to the individual before death (i.e., the surrender value of a whole life policy or a universal life policy). It would not include a value for term insurance, which has no cash value to the individual before death.

8. Personal property held as an investment. Include gems, jewelry, coin collections, and antique cars held as an investment. An applicant's wedding ring and other personal jewelry are not considered assets.

9. Lump sum receipts or one-time receipts. These include inheritances, capital gains, one-time lottery winnings, victim's restitution; settlements on insurance claims (including health and accident insurance, worker's compensation and personal or property losses); and any other amounts that are not intended as periodic payments.

10. A mortgage or deed of trust held by an applicant (e.g., contract for deed). Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset.

This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification.

To count the cash value of this asset, determine the unpaid principal as of the effective date of the certification. Each year this balance will decline as more principal is paid off.

Household Assets Do Not Include

- Necessary personal property including clothing, furniture, cars, etc.
- Interests in Indian trust land.
- Term life insurance policies.
- Equity in the cooperative unit in which the family lives.
- Assets that are part of an active business (not including rental of properties that are held as investment and not a main occupation).
- Assets that are not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household, and that other person is responsible for income taxes incurred on income generated by the assets.
- Assets that are not accessible to the applicant and provide no income to the applicant (i.e., a battered spouse owns a house with her husband. Because of

the domestic situation, she receives no income from the asset and cannot convert the asset to cash). Nonrevocable trusts are not covered under this paragraph.

Assets Owned Jointly- Assets owned by more than one person should be prorated according to the percentage of ownership. If no percentage is specified or provided by state or local law, prorate the assets evenly among all owners.

Instructions for Valuing Assets - In computing assets, owners must use the cash value of the asset; that is, the amount the family or household would receive if the asset were converted to cash. Cash value is the market value of the asset minus reasonable costs that were or would be incurred in selling or converting the asset to cash.

Expenses which may be deducted include:

- Penalties for withdrawing funds before maturity;
- Broker/legal fees assessed to sell or convert the asset to cash; and
- Settlement costs for real estate transactions.

For non-liquid assets, enough information should be collected to determine the current cash value: the net amount the family would receive if the asset were converted to cash.

Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received, if the difference is more than $1,000. If a tenant has sold his/her home (either a private residence or rental) or disposed of other assets within the past two years for less than fair market value, request:

- Copies of closing documents (HUD-1, settlement statement) showing the selling price, the distribution of the sales proceeds and the net amount to the tenant.
- Divestiture of Assets Verification identifying the disposed-of asset, the cash value and amount actually received.

If net family/household assets exceed $5,000.00, the annual income must include the greater of:

- The actual income from assets; or
- An imputed income from assets.

Owners must determine estimated asset income by multiplying total net assets by the interest rate specified by HUD. Until February 1, 2015, of the rate was 2 percent (.02). This rate became effective September 29, 1995. Effective February 1, 2015, HUD

decreased the rate to .06 percent (.0006), and will publish the amount annually when income limits are published.

Example of Calculating Income from Assets

Type of Asset	Cash Value of Asset		Actual Income Per Year
Checking Account	$300		$0
Savings Account	2,000		115
Certificates of Deposit	10,000		986
Rental Property	15,000		
		0	
TOTALS	$27,300		$1,101

Since total assets exceed $5,000, estimated (imputed) income must be calculated: Total Assets x .02 = $27,300 x .02 = $546. For certifications effective February 1, 2015 and later, the calculation would be $27,300 x .0006 = $16.38.

Annual income must include the $1,101 actual income because it is greater than the estimated
(imputed) income received on the assets.

CDA: Dakota County Community Development Agency

Co-head: Household member residing with the head-of-household

Contract Rent: The total rent received by the Dakota County CDA from the resident rent and housing assistance payment.

Dakota County Resident: An applicant who lives, or whose head of household, spouse, or co-head work in Dakota County (the employer must be located in Dakota County. An applicant who does not have a place of residence that are receiving benefits through Dakota County E&EA.

Dependent: A member of the family household (excluding foster children) other than the family head or spouse or live-in aide, who is under 18 years of age and lives in the household at least 50% of the time.

Drug Related Criminal Activity: The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802)

Effective Date: The effective date of an examination or reexamination refers to (i) in the case of an examination for admission, the effective date of initial occupancy, and (ii) in the case of reexamination of an existing tenant, the effective date of the redetermination of the total tenant payment.

Eligibility Income: For the purpose of determining whether a family is income eligible, income shall be determined in accordance with the definition of annual income in Part I, Section 2.

Executive Director: The Executive Director of the CDA.

Gross Income: Total annual income as defined in this section.

Head of Household: The head of the household is the person who assumes legal and moral responsibility for the household.

Housing Assistance Payment (HAP): Portion of contract rent paid out by the Housing Choice Voucher Program.

Live-in Aide: A person who resides with a resident(s) who:

A. Is determined by the CDA to be essential to the care and well-being of the person(s);

B. Is not obligated for support of the person(s); and

Would not be living in the unit except to provide necessary supportive services

Net Family Assets: The net cash value after subtracting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment. In determining net family assets, the CDA shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition of trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Owner: Each development which the CDA operates in accordance with this plan is owned by a separate limited partnership or LLC.

Rent: The term rent, as used herein, unless otherwise specified, shall mean the total tenant payment.

Resident Rent: The amount payable monthly by the resident as rent to the CDA for the use of the dwelling unit and equipment (such as range and refrigerators), but not including furniture, services and utilities supplied by the property.

Section 8: Rental subsidy program ran by the Housing Assistance Department. Recipients of this subsidy will receive a portion of resident rent paid. This portion is referred to as the housing assistance payment.

Single Person: A person not legally married.

Spouse: The husband or wife of the head of the household.

Tenant Rent: The amount payable monthly by the family as rent to the CDA for the use of the dwelling unit and equipment.

Total Tenant Payment: The amount payable monthly by the resident as rent to the CDA.

Utilities: Water, electricity, gas, trash collection, and sewerage services.

Welfare Assistance: Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.

Part II

REASONABLE ACCOMMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the CDA housing programs and related services. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This section clarifies how people can request accommodations and the guidelines the CDA will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the CDA will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodations.

Factors in Granting or Denying the Accommodation

A. Is the requestor a person with disabilities? The definition of disabled used for this purpose is:

> ***A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment. (The disability may not be apparent to others, i.e., a heart condition).***

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the Dakota County CDA will obtain verification that the person is a person with a disability.

B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the CDA will obtain documentation that the requested accommodation is needed due to the disability.

C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet 2 criteria:

1. Would the accommodation constitute a fundamental alteration of the program scope or purpose? The CDA's business is housing. If the request would alter the fundamental business that the CDA conducts, that would not be reasonable. For instance, the CDA would deny a request to have the CDA do grocery shopping for the person with disabilities.
2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested

accommodation costs little or nothing. If the cost would be an undue burden, the CDA may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally, the individual knows best what they need; however, the CDA retains the right to be shown how the requested accommodation enables the individual to access or use the CDA's programs or services.

If more than one accommodation is equally effective in providing access to the CDA's programs and services, the CDA retains the right to select the most efficient or economic choice.

All decisions granting or denying requests will be in writing.

Part III

ELIGIBILTY REQUIREMENTS

A. Profile Requirements

To be eligible for admission, an applicant must income qualify. A household consists of a single individual or a single individual plus one household and whose head of household is at least 18 years of age.

B. Income Limits for Admission

The applicant's household must provide adequate evidence that the Annual Income (as defined in Part I, Item 2) for the 12-month period following occupancy is not anticipated to exceed the Income Limits for Admission. The income limit for admission is 60% of the area median income adjusted by family size as determined by the U.S. Department of Housing and Urban Development. This does not apply to non-eligible employees required to live in the building.

C. Asset Limits for Admission

The only asset limitation is in conjunction with determination of whether a household is income eligible as defined in Part I, where assets exceed $5,000. (net family assets are defined in Part I).

D. Non-Economic Eligibility Criteria

1. CDA Policy Standards

In determining eligibility, the following factors shall also apply:

a. That admission to the program should not adversely affect the health, safety, welfare and peaceful enjoyment of other residents and neighbors; and
b. That admission to the program should not adversely affect the property or physical environment created by the program; and
c. That admission to the program should not threaten the economic stability of the program.

Provided, however, that in doing so the CDA does not warrant or guarantee the result of any background investigation or determination of admission resulting there from.

2. Factors to be considered

In determining whether admission of an applicant is consistent with the policy standards described in III. D. 1., above, one or more of the

following factors, among others, may be considered.

a. Non-payment of rent, pattern of late rent payments or utilities, or failure to pay other obligations;

b. Evidence of previous actions causing disturbance to neighbors in or near places of residence;

c. Has engaged in or threatened violent or abusive behavior toward CDA personnel

- *Abusive or violent behavior towards CDA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violentbehavior.
- *Threatening* refers to oral or written threats or physical gestures that communicateintent to abuse or commit violence.
- *Harassment* refers to constant/incessant communication whether in writing or verbal.

d. Evidence of previous destruction of property;

e. A documented history of poor housekeeping habits;

f. Evidence of the following criminal activity: (i) crimes of actual or threatened violence to persons or property, including previous criminal activity or acts of violence committed against CDA employees, property or tenants; (ii) such non-violent crimes relevant to the eligibility determination to be made in accordance with Section III. D. 1.

g. Is subject to a lifetime registration requirement under any state's sex offender registration program. CDA staff will conduct a search of all adult members within a household at initial lease up and at annual recertification. The CDA will terminate the lease of a current resident who becomes subject to such registration.

h. A record of any Drug Related Criminal Activity, as described in the Crime and Drug Free Housing Addendum to the CDA lease, or the allowance of drugs upon CDA property in contravention of Minnesota Statutes, Section 504.181;

i. A record of lease violations or Section 8 program violations and/or excessive damages; and

j. A record of conviction, termination for fraud, or evidence of a pending investigation for fraudulent activity against any federal, state or local housing assistance program, income assistance programs or private financial institution.

k. Misrepresentation of information submitted to the CDA for purposes of determining preference of eligibility.

In considering the above-described factors, the CDA may also consider the nature and seriousness of the risk of admission to CDA residents and property.

Any applicant determined to be ineligible shall be promptly notified by the CDA in writing, stating the reasons for such determination; provided, however, that unless the applicant can show that information relied upon by the CDA was incorrect, the CDA's determination of ineligibility shall, for all purposes, be final.

3. **Information Sources to be Used**

In investigating, reviewing and determining eligibility for admission, the CDA shall rely upon sources of information which may include, among others, CDA records, home visits and personal interviews with the applicant, credit checks, previous landlords, employers, family social workers, parole officers, clinics and physicians. Criminal records may be obtained from the Federal Bureau of Investigation, the Minnesota Bureau of Criminal Apprehension, county sheriffs, local chiefs of police or any other entity with access to local, state, and national criminal record repositories.

E. Eligibility for Continued Occupancy

Eligibility for continued occupancy shall be determined for all residents at their anniversary date, once each year, in accordance with established re-examination schedule. To be eligible for continued occupancy, the resident household must meet the requirements listed in Part IX.

Part IV

RESIDENT SELECTION AND ASSIGNMENT POLICIES

The Resident Selection and Assignment Policies have been designed by the CDA to take into consideration the needs of individual households for the purpose of developing and operating a socially and financially sound housing program, which provides a decent home, suitable environment, and fosters economic and social diversity in the resident body as a whole.

A. The CDA shall not discriminate against any applicant because of race, color, creed, religion, sex, national origin, political or other affiliation, marital status, handicap, or source of income.

B. Resident Selection and Assignment Plan

Each applicant shall be assigned their appropriate place on a waiting list in sequence based upon the date and time their application is received, suitable type or size of unit, property applicant is applying for and factors affecting preference or priority established by CDA regulation.

At a given time, the applicant first on the waiting list shall be offered a dwelling unit in accordance with the following plan:

1. If at the time the eligible applicant comes to the top of the waiting list and a unit is available, the applicant must accept the vacancy offered or be removed from that eligible applicant list.

2. If the applicant is willing to accept the unit offered but is unable to move at the time of the offer due to health reasons, and presents clear evidence of inability to move to the CDA's satisfaction, refusal of the offer shall be considered to be an allowable refusal and the applicant's name shall not be moved to the bottom of the eligible applicant list.

3. An applicant pending a fraud investigation by any government agency will be bypassed on the waiting list until a verdict has been rendered.

4. If an applicant has come to the top of the waiting list and refused the unit offered, the applicant's name will be removed from that waiting list. The applicant shall be notified in writing of this action. This policy may be waived if the refusal qualifies as an "allowable refusal". (Part IV, Section B, 2).

5. Once an applicant accepts a unit offered to them by the CDA, the applicant's name will be removed from all other waiting lists that they were on at time of acceptance of offered unit.

Purging the Waiting List

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the CDA will send a notice via email to each applicant on the waiting list to determine whether the applicant continues to be interested in the program. This notice will be sent to the last email address that the CDA has on record for the applicant.

If the applicant fails to respond by the deadline provided, the applicant will be removed from the waiting list without further notice.

If the notice is returned as undeliverable, the applicant will be removed from the waiting without further notice.

Removal from the Waiting List

If at any time an applicant is determined ineligible, they will be removed from the waiting list.

If at any time an applicant requests that their name be removed from the waiting list, the applicant will be removed from the waiting list.

If an applicant is removed from the waiting list because the CDA has determined the family is not eligible for assistance or has failed to comply with a request for information, as it relates to preference or other eligibility components, a notice will be sent to the applicant's last known email address on file.

C. Preference Factors in the Selection of Residents

Within each preference factors as described, applicants will be placed on the waiting list and offered units according to date and time of application. In selecting eligible applicants to fill vacancies the CDA shall give consideration to the following factors in the order shown:

1. Applicants who are currently CDA residents in good standing whom are eligible, and the CDA has determined a transfer to Workforce Housing Program is warranted, for reasons of hardship, disability, family size change, or other business reasons which cannot be readily accommodated under the CDA's other housing programs as determined by the CDA's Director of Property Management

2. Applicants who are Dakota County residents and who:

    a. Are displaced by a disaster such as fire, flood, or tornado.

b. Are displaced by federal, state or local government related to public improvement or development.

c. Have vacated their housing unit as a result of actual or threatened physical violence recently or of a continuing nature directed against the applicant or one or more members of applicant's family by a spouse or other household member or applicant lives in a housing unit with such an individual who engages in such violence. In addition, the applicant must be referred from a domestic abuse shelter in which they are currently residing in.

3. Applicants who are Dakota County residents (as defined in Glossary).

4. Applicants who are non-Dakota County residents.

Handicap accessible units will be filled by applicants, whether Dakota County residents or a Veteran, that have a physical disability and are in need of an accessible unit. These applicants will be offered handicap accessible units prior to all other applicants who do not have the need for an accessible unit.

D. Initial Occupancy Resident Qualifications

At initial occupancy, the CDA will provide:

1. That all of the units (100%) are occupied by households which contain at least one individual who is eighteen (18) years of age.

2. All of the units (100%) are occupied by households which have a gross household income that is at or below sixty percent (60%) of the county or State of Minnesota non-Metro median income, whichever is greater, as defined by the United States Department of Housing and Urban Development.

E. Reassignment or Transfers to Other Dwelling Units

Reassignment or transfers to other dwelling units shall be made without regard to race, color, or national origin as follows:

Residents may request to be put on the waiting list for a different bedroom size. When they reach the top of the waiting list and have fulfilled their initial lease they may accept the unit offered.

1. If it is determined that a resident is in need of an accessible apartment they will be transferred at no cost to the resident, once proper documentation has been approved by the Dakota County CDA and an accessible unit

becomes available. Transfers of this type will take precedence over new admissions.

2. If it is determined that a one-bedroom, subsidized resident is in need of a studio subsidized unit due to a sufficient decrease in income the resident may be transferred to a studio apartment at no cost to the resident once approved by the Dakota County CDA. Transfers of this type will take place precedence over new admissions.

3. Residents may request to transfer to the same bedroom size within the building that they are residing in as a convenience transfer and they will assume all costs of preparing their original unit for re-rental (including, but not limited to: painting, cleaning and flooring replacement).

Part V

SCHEDULE OF RENTS AND RENT COLLECTION POLICY

Unit Not Subsidized by a Housing Choice Voucher:
The CDA's Executive Director annually sets rents in the Workforce Housing Program. These rents are automatic increases to the current rents in place at time of annual lease renewal.

If Utilizing A Housing Choice Voucher:
The Contract Rent will be set at the Fair Market Rent. Residents utilizing a voucher will pay between 30% and 40% of their adjusted gross income for rent and utilities. If the contract rent exceeds the Fair Market Rent less the utility allowance, the Director of Property Management may, on a unit basis, lower the Contract Rent to equal the Fair Market Rent less the utility allowance.

The Executive Director shall have the authority to annually adjust the Schedule of Rents.

A. Rent Collection Policy

1. Rents are due and payable on or before the first day of each month. Rents and other charges will not be accepted in the form of cash.

2. A Notice to Vacate will be sent to all residents whose rent has not been paid in full by the 5th day of the month. A late rent fee of 8% of the overdue rent (with a maximum late fee of $40.00) will be charged in all instances where the rent payment is not received by the 5th day of the month.

3. After the expiration of the Notice to Vacate, eviction action documents shall be prepared for any account still having a rent balance owing. The documents will then be presented to the clerk of court for filing. The clerk of court will assign a date, no greater than 14 days from the date of filing, for the court hearing. Resident will be responsible for management's legal costs in addition to delinquent rent. Partial payment will not be accepted and payment will only be accepted in the form of a money order or cashier's check.

4. Receipt of a "Not Sufficient Funds" (NSF) or account closed check will be considered non-payment of rent and procedures outlined above will apply, including assessment of a late fee equaling 8% of the overdue rent (with a maximum late fee of $40.00) if acceptable payment is not received by the 5th day of the month. An additional $20.00 NSF or account closed charge will be assessed.

Part VI

ADDITIONAL CHARGES

A. Security Deposit

Each household is required to pay a security deposit in an amount determined by the CDA. Such payment must be paid in full prior to occupancy. The security deposit will be held until the resident lease end date and will be returned according to Minnesota Landlord and Tenant Statute Chapter 504.20, Subdivision 7A.

The security deposit may not be used to pay charges during occupancy. The amount of security deposit is equal to one month's rent.

The Executive Director shall have the authority to change the security deposit requirements based on current conditions.

B. Garage Parking Monthly Charge

There will be an additional charge per month for each garage space. Garage spaces are optional and will only be assigned at the resident's request.

All garage spaces will be assigned for the exclusive use of the resident(s) and will be awarded on first come, first serve basis. Payment for the garage space is due and payable on or before the 1st of the month.

The Executive Director shall have the authority to change the garage charge based on current conditions.

Part VII

RE-EXAMINATION OF RESIDENT ELIGIBILITY

A. Households at the time of lease renewal, will be deemed ineligible by failure to meet any of the following:

1. Households who are ineligible because of their breach of lease clauses shall be so advised in writing and their leases terminated pursuant to the terms and conditions of the lease.

2. If, at any time, the household is ineligible due to over-crowding of the unit in accordance with the Occupancy Standards, the CDA will require the household to move within 12 months if the appropriate size dwelling unit does not become available.

3. Households whom are now subject to a lifetime registration requirement under the State sex offender registration program. All household members will be searched for on the Sex Offender Registry web site annually.

B. An addition of a person in the unit requires the CDA's advance review and written approval of the household's continued eligibility. The CDA will not approve the addition of a person to the unit within the first six months of occupancy if that additional person's income, together with the household income at admissions would have resulted in the household being ineligible for admission.

C. When any of the following circumstances occur, income will be reviewed.

1. An addition of a person in the unit, which also requires the CDA's review and approval of the households continued eligibility.

2. There is a change in CDA policy or state or federal regulations which would require a rent review.

If management determines that a resident intentionally or deliberately misrepresented his/her income, assets, or family composition, the resident will be given notice of eviction at the time the misrepresentation is discovered; whether the resident is or is not eligible at the time the misrepresentation is discovered.

Part VIII

VERIFICATION OF APPLICANT'S STATEMENTS AND INCOME

All income and asset information for admission will be verified by the CDA. Written inquiries will include a statement of the purpose of the inquiry and a statement signed by the applicant to permit the source to release information.

All verifications will be obtained within 180 days of initial lease date, and will be verified in accordance with the above provisions.

Resident file will contain documentation of all verifications.

A. Applicants/residents must furnish verification or provide authorization for the CDA to obtain verification from a third party of all statements regarding income and assets. Certification by signing the application for admission will normally be considered sufficient verification for family composition.

B. All income and assets will be verified at the time of admission. Income will be verified by third party verification. If third party written verification is not possible, a review of documentation provided by the family such as benefit checks, income tax returns, benefit award letters, savings and checking account statements, estimated market value of real estate from tax statements, United States savings bond redemption values, and other supporting documents may be accepted. In cases where third party verification is not possible, the CDA will document the reason why another method was used. (United States Treasury checks will not be photocopied).

C. The following statements will also be verified and documented in the resident file:

    1. Non-economic selection criteria when information provides the basis of denial of eligibility based on the conduct of the applicant or members of his or her family. (See Part III – eligibility requirements).

Part IX

OCCUPANCY STANDARDS

When applying for the Workforce Housing program, applicants may select the number of bedrooms they wish to apply for (Studio, 1-bedroom or both). Households composition can not exceed the maximum number of persons allowed per bedroom size listed below.

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
Studio (0 bedroom)	1	2
One Bedroom	1	2

Part X

COMPANION/SERVICE ANIMAL POLICY

This section applies to residents who have an authorized companion/service animal.

1. Residents will be allowed a maximum of one animal.
2. Wild, undomesticated, vicious, destructive, or uncontrollable animals of any type shall not be permitted.
3. Residents with an authorized animal will receive a copy of the CDA's animal rules.
4. Each adult member of a household will sign an authorized animal lease addendum.
5. Any damages caused by the authorized animal will be the responsibility of the resident
6. All animals will be spayed or neutered and will provide proper documentation to the CDA.
7. All cats will have their front paws declawed (unless determined detrimental to the health of the cat by a certified veterinarian.
8. The resident will provide documentation upon receiving the animal and each year thereafter of the animal's up-to-date vaccinations.
9. Resident agrees to supply the CDA with at least 2 alternate households where the animal can be cared for in the event of an emergency.

Part XI

LEASING

A. Prior to admission, a lease shall be signed by the head of household and, any member of the age of 18 (jointly and severally) and executed by the CDA.

B. The lease is to be current at all times and must be compatible with CDA policies as well as state and federal law.

C. Notices of rent adjustments which are issued to amend the dwelling lease will be signed by all members of the household and the CDA.

D. Schedules of special charges for services, repairs and utilities, and rules and regulations which are required to be incorporated in the lease by reference shall be furnished upon request. Such schedules, rules and regulations may be modified from time to time.

E. Any modification of the lease must be in writing and delivered personally, via USPS, or via email to the household and signed by both parties.

Part XII

LEASE TERMINATIONS

A. The resident may terminate the lease by providing the CDA with 60-days written notice as defined in the lease agreement after the initial 12 month lease is completed. This notice must be received on or before the last day of the second month preceding the month of desired lease termination. For example, to vacate on August 31, notice must be received by the CDA on, or before June 30th.

B. The lease may be terminated by the CDA at any time for good cause, such as but not limited to chronic rent delinquency, failure to pay service charges, engages in harassment, or threatens violent or abusive behavior towards CDA personnel, serious or repeated interference with the rights of other residents or neighbors, serious or repeated damage to the lease premises, creation of physical or health hazards, failure to fulfill resident obligations set forth in the lease, or for serious or repeated violations of the terms of the lease or for other good cause.

   If the CDA terminates the lease, written notice will be given as follows:

   1. In the case of failure to pay rent Part V, Section A, 3 will be applicable.

   2. A reasonable time prior to termination commensurates with the urgency of the situation in the case of creation or maintenance of a threat to the health or safety of other residents or CDA employees or the safety of the premises.

   3. At least sixty (60) days prior to termination in all other cases.

C. Notice of termination to resident shall state reasons for the termination.

Part XIII

RESIDENT DEBTS TO THE CDA (REPAYMENT AGREEMENTS)

OVERVIEW describes the CDA's policies for recovery of monies owed to the CDA by residents.
The CDA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When a resident refuses to repay monies owed to the CDA, the CDA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

REPAYMENT POLICY

Family Debts to the CDA

Any amount owed to the CDA by a resident must be repaid. If the resident is unable to repay the debt within 30 days, the CDA may offer to enter into a repayment agreement in accordance with the policies below.
If the resident refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the CDA will terminate the resident's tenancy and will also pursue other modes of collection.

General Repayment Agreement Guidelines

Down Payment Requirement

Before executing a repayment agreement with a resident, the CDA will generally require a down payment of 10 percent of the total amount owed. If the resident can provide evidence satisfactory to the CDA that a down payment of 10 percent would impose an undue hardship, the CDA may, in its sole discretion, require a lesser percentage or waive the requirement.

Payment Thresholds

The CDA has established the following thresholds for repayment of debts:
Amounts between $3,000 and the Federal or State threshold for criminal prosecution must be repaid within 36 months.

- Amounts between $2,000 and $2,999 must be repaid within 30 months.
- Amounts between $1,000 and $1,999 must be repaid within 24 months.
- Amounts under $1,000 must be repaid within 12 months.

If a resident can provide evidence satisfactory to the CDA that the threshold applicable to the resident's debt would impose an undue hardship, the CDA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the CDA will consider all relevant information, including the following:

- The amount owed by the family to the CDA

- The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control
- The resident's current and potential income and expenses
- The current resident rent
- The family's history of meeting its financial responsibilities

Execution of the Agreement
Any repayment agreement between the CDA and a resident must be signed and dated by the CDA and by the head of household, spouse/cohead or any other adult in the household that is 18 years of age or older (if applicable).

Due Dates
All payments are due by the close of business on the 5th day of the month. If the 5th does not fall on a business day, the due date is the close of business on the first business day after the 5th.

Late or Missed Payments
If a payment is not received by the end of the business day on the date due the CDA will send the family a delinquency notice giving the resident 14 days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the CDA will terminate tenancy.

No Offer of Repayment Agreement
The CDA generally will not enter into a repayment agreement with a household under any of the following conditions:
- The resident is already under an existing repayment agreement with the CDA.
- The CDA determines that the resident's debt is a result of program abuse or fraud.
- The amount owed by the resident exceeds the federal or state threshold for criminal prosecution.

Repayment Agreements Involving Improper Payments
Certain provisions to be included in any repayment agreement involving amounts owed by a resident because it underreported or failed to report income:

- A reference to the items in the housing lease that state the resident's obligation to provide true and complete information at every reexamination and the grounds on which the CDA may terminate assistance because of a resident's action or failure to act
- A statement clarifying that each month the resident not only must pay to the CDA the monthly payment amount specified in the agreement but must also pay to the CDA the monthly tenant rent
- A statement that the terms of the repayment agreement may be renegotiated if the resident's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

PART XIIII

VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, AND CONFIDENTIALITY

OVERVIEW

The Violence against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the Family Housing Program and Limited Liability Corporation housing program. If state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and CDA policies in three areas: notification, documentation and confidentiality. Specific VAWA requirements and CDA policies are located primarily in the following sections: C, D & E below. Family Breakup and Remaining Member of Tenant Family, Prohibition against denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking, "Allowable Moves", "Restrictions on Moves", "Termination Related to Domestic Violence, Dating Violence, or Stalking" and "Termination Notice."

DEFINITIONS [24 CRF 5.2003,42 USC 13925]

As used in VAWA:

- The term bifurcate means, with respect to a family housing lease or limited liability corporation housing lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term dating violence means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
    - The length of the relationship
    - The type of relationship
    - The frequency of interaction between the person involved in the relationship
- The term domestic violence includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against and adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

- The term affiliated means, with respect to a person:
    - A spouse, parent, brother or sister, or child of that individual, or and individual to whom the individual stands in the position or place of a parent or
    - Any other person individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault or stalking.
- The term sexual assault means:
    - A nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent.
- The term stalking means:
    - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

A. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The CDA adopts the following policy to help ensure that all actual and potential beneficiaries of the Family Housing program and Limited Liability Housing program are aware of their rights under VAWA.

CDA Policy

The CDA will post the following information regarding VAWA in its offices and on its website. It will also provide information readily available to anyone who request it.

- A notice of occupancy rights under VAWA to Family Housing or Limited Liability Corporation Housing applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD 5380, see Exhibit I)

- A copy of form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (see Exhibit II)

- A copy of the CDA emergency transfer plan (Exhibit III)

- A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383 (Exhibit IX)

- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits I and II)

- Contact information for local victim advocacy groups or services providers

Notification to Program Applicants and Participants [24 CFR 5.2005 (a) (1)]

The CDA is required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

CDA Policy

The CDA will provide all applicants with information about VAWA at the time they request an application for housing. The CDA will also include information about VAWA in all notices of denial of for CDA Family Housing or Limited Liability Corporation Housing programs.

The CDA will provide all participants with information about VAWA at the time of admission and at annual reexamination. The CDA will also include information about VAWA in notices of termination of housing.

B. DOCUMENTATION [24CFR 5.2007]

The CDA presented with a claim for initial or continued occupancy based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may but is not required to request that the individual making the claim document the abuse. Any request of documentation must be in writing, and the individual will be allowed 14 business days after the receipt of the request to submit the documentation. The CDA will grant an extension of an additional 10 business days at the applicant/tenant's written request.

The applicant/tenant may satisfy the CDA's request by providing any one of the following three forms of documentation:

- A completed and signed HUD form 5382, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking, which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim.

- A federal, state, tribal, territorial, or local police report or court record, or an administrative record.

- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effect of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The CDA may not require third party document (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation" nor may it require certification in addition to third-party documentation.

CDA Policy

Any request for documentation of domestic violence, dating violence, sexual assault or stalking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences of failure to submit the documentation or request an extension in writing by the deadline.

The CDA may, in its discretion, extend the deadline for an additional 10 business days. Any extensions granted by the CDA will be in writing.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the CDA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the CDA may determine which is the true victim by requiring each to provide acceptable third party documentation as described above (forms 2 and 3) within 30 calendar days of the date of the request for third party documentation. The CDA must honor any court orders issued to protect the victim or to address the distribution of property.

CDA Policy

If presented with conflicting certification documents (two or more forms HUD 5382) from members of the same household, the CDA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by the following any HUD guidance on how such determinations should be made. The family will have 30 calendar days from the date of the request by the CDA to provide this documentation.

Discretion to Require No Formal Documentation 24 CFR 5.2007(d)

The CDA 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).

CDA Policy

If the CDA accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, sexual assault or stalking, the CDA will document acceptance of the statement or evidence in the individuals file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, the CDA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time that the CDA may allow, the CDA may deny relief for protection under VAWA.

C. CONFIDENTIALITY [24 CFR 5.2007 (b)(4)]

All information provided to the CDA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the CDA (1) may not enter the information into any shared data base, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceedings, or (c) otherwise required by applicable law.

CDA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the CDA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

MINNESOTA STATUES 2016

The state of Minnesota also imposes laws and or statues to protect applicants and tenants whom are victims of domestic violence, dating violence, sexual assault and stalking.

Minnesota Statue 504B.206 RIGHT OF VICTIMS OF VIOLENCE TO TERMINATE LEASE

Subdivision 1. Right to terminate: procedure.

a) A tenant to a residential lease may terminate a lease agreement in the manner provided in this section without penalty or liability, if the tenant or another authorized occupant fears imminent violence after being subjected to:

   1. Domestic Abuse, as the term is defined under section 518B.01 subdivision 2;
   2. Criminal Sexual Conduct under section 609.342 to 609.3451; or
   3. Stalking, as that term is defined under section 609.749, subdivision 1

b) The tenant must provide signed and dated advance written notice to the landlord;

   1. Stating the tenant fears imminent violence from a person as indicated in a qualifying document against the tenant or an authorized occupant if the tenant or authorized occupant remains in the leased properties;
   2. Stating the tenant needs to terminate the tenancy;
   3. Providing the date by which the tenant will vacate; and
   4. Providing a written instructions for the disposition of any remaining personal property in accordance with section 504AB.271

c) The written notice must be delivered before the termination of the tenancy by mail, fax or in person, and be accompanied by a qualifying document.

d) The landlord may request that the tenant disclose the name of the perpetrator and, if a request is made, inform the tenant that the landlords seeks disclosure to protect other tenants in the building. The tenant may decline to provide the name of the perpetrator for safety reasons. Disclosure shall not be a precondition of terminating the lease.

e) The tenancy terminates, including the right of possession of the premises, as provided in subdivision 3.

Subdivision 2. Treatment of Information

a) A landlord must not disclose;

1. Any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph b);
2. Any information contained in the qualifying document;
3. The address or location to which the tenant has relocated; or
4. The status of the tenant as a victim of violence.

The information referenced in paragraph a must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenant, claims under section 504B.178, with consent of the tenant, or as otherwise required by law.

Subdivision 3. Liability for Rent; Termination of Tenancy

a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant forfeits all claims for the return of the security deposit under section 504B. 178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all tenants is terminated at the latter of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants forfeit all claims for the return of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

Subdivision 4. [Repealed by amendment, 2014 c 188 s 2]

Subdivision 5. Waiver prohibited.
A residential tenant may not waive, and a landlord may not require the residential tenant to waive, the tenant's rights under this section.

Subdivision 6. Definitions.
For purposes of this section, the following terms have the meaning given:

1) "court official" means a judge, referee, court administrator, prosecutor, probations officer, or victim's advocate, whether employed by or under contract with the court, who is authorized to act on behalf of the court;
2) "qualified third party" means a person, acting in an official capacity, who has had in-person contact with the tenant and is:
    i. A licensed health care professional operating within the scope of the license;
    ii. A domestic abuse advocate, as that term is defined in section 595.02. subdivision 1, paragraph (I)
    iii. A sexual assault counselor, as that term is defined in section 595.02, subdivision 1 paragraph (k)

3) "qualified document" means:
    i. A valid order for protection issued chapter 518B;
    ii. A no contact order currently in effect, issued under section 629.75 or chapter 609;
    iii. A writing produced and signed by a court official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that is defined under section 518B.01, subdivision 2, criminal sexual conduct, under sections 609.342 to 609.3451, or stalking as that term is defined under section 609.749, subdivision 1, and naming the perpetrator, if known;
    iv. A writing produced and signed by a city, county, state, or tribal law enforcement official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct, under sections 609.342 to 609.3451, or stalking, as that term is defined under section 609.749, subdivision 1, and naming the perpetrator, if known; or
    v. A statement by a qualified third party, in the following form:

Dakota County
Community Development
Agency
CDA

STATEMENT BY QUALIFIED THIRD PARTY

I, _____ (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (1), or sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k), who has had in-person contact with _____(name of victim(s)).

2. I have a reasonable basis to believe _____(name of victim(s)) is a victim/are victims of domestic abuse, criminal sexual conduct, or stalking and fear(s) imminent violence against the individual or authorized occupant if the individual remains or individuals remain in the leased premises.

3. I understand that the person(s) listed above may use this document as a basis for gaining a release from this lease.

   I attest that the foregoing is true and correct.

   _____
   (Printed name of qualified third party)

   _____
   (Signature of qualified third party)

   _____
   (Business address and business phone number)