

**PORT JERVIS COMMUNITY DEVELOPMENT AGENCY
(PJCDA)
MEETING NOTICE and AGENDA for **Wednesday, November 29, 2023**
134 Pike St., 2nd Floor, Port Jervis, NY 12771
7:00 p.m.
In Person Only**

1. ROLL CALL
2. READING/APPROVAL OF MINUTES
 - A. October 24, 2023 – Meeting Minutes
3. APPROVAL OF THE FINANCIAL REPORTS
 - A. Administrative bills and revenues: November 2023
 - B. Monthly financial statement: October 2023
 - C. 2024 PJCDA Budget
 - D. PJCDA Fee Accountant Contract 2024
4. SECTION 8 PROGRAM UPDATES & DIRECTOR'S REPORT
 - A. Section 8 Report
 - B. Section 8 – HUD HOTMA Administrative Plan Updates/Resolution
 - C. Director's Report
 - D. 2024 PJCDA Holiday Calendar
5. COMMUNICATIONS
6. OLD BUSINESS
 - A. Grant/Project Tracking
7. NEW BUSINESS
8. PUBLIC COMMENT
9. EXECUTIVE SESSION
 - A. Loan Portfolio Review/Discussion
 - B. Personnel Compensation
10. SCHEDULING OF NEXT MEETING
 - A. December 20, 2023
11. ADJOURNMENT

RESOLUTION OF THE PORT JERVIS COMMUNITY DEVELOPMENT AGENCY

(PJCDA), PORT JERVIS, ORANGE COUNTY, NEW YORK

RE: PJCDA - HUD NY-134 – 2023 HOTMA UPDATES TO PJCDA ADMINISTRATIVE PLAN

WHEREAS, as of January 1, 2024, the U.S. Department of Housing and Urban Development (HUD) is instituting sweeping updates to the housing voucher system via Housing Opportunity through Modernization Act (HOTMA) of 2016; and

WHEREAS, after review of the mandated and optional HOTMA changes, the PJCDA Section 8 program recommends changes to its current administrative plan within the following categories and as attached:

- Income Inclusions
- Income Exclusions
- Assets and Asset Income
- Asset Income Exclusions
- Allowable Deductions
- Safe Harbor Income Determinations
- Interim Recertifications
- Non- Interim Reexaminations
- Required Documentation
- New Verification Hierarchy
- Authorizations and Releases
- De Minimis Errors

NOW, THEREFORE, BE IT RESOLVED THAT effective January 1, 2024, per the attached documentation and subsequent implementation schedules, the Port Jervis Community Development Agency Board of Directors, hereby approves the proposed changes to the Port Jervis Community Development Agency's Administrative Plan.

MOTION BY: _____

SECONDED BY: _____

AYES: ____

NAYS: ____

ABSTENTIONS: ____

Dated: November 29, 2023

Proposed PJCDA Resolution 20231129

1-1-24 PJCDA HOTMA CHANGES TO ADMININSTRATIVE PLAN

DETERMINATION OF TOTAL TENANT PAYMENT FOR BOTH NEW AND EXISTING PARTICIPANTS Income and Allowances

A . Income Inclusions

All amounts, not specifically excluded, received from all sources by each household member who is:

- A. 18 years of age or older or
- B. The head of household or spouse of the head of household (any age)

In Addition to

- C. Unearned income by or on behalf of each minor dependent who is under 18 dependent years of age, and
- D. Imputed returns on net family assets exceeding \$50,000 (adjusted annually using the Consumer Price Index for Urban Wage Earners (CPI-W) when the value of the actual returns from a given asset cannot be calculated. Imputed returns
- E. Self-Employment Income
 - Gross income received through self-employment or operation of a business; with the exception of the following which shall be considered income:
 - Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income.
 - An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regulations; and
 - Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

B . Income Exclusions

Annual income does not include the following:

1. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the resident family, who are unable to live alone). This exclusion also applies to Tribal Kinship or guardianship care payments.
2. Amounts paid by a state or local agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
3. Distribution of principle from Irrevocable trusts, including Special Needs Trusts.
4. Veterans' aide and attendant care.
5. FSS Escrow Deposits.
6. Education Savings Accounts Distributions - Coverdell or any qualified tuition program under IRS section 529 and 530.
7. Gifts for holidays, birthdays, or other significant life events or milestones are excluded from income
8. Temporary income paid as a Guaranteed Income Benefit Program payment through local city, state, or federal funds or approved funding sources.

9. U.S. Census Bureau for employment income (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not resulting in permanent employment.
10. Direct federal or state payments for economic stimulus or recovery.
11. State or federal refundable tax credits or state or federal tax refunds received directly at the time they are received directly by the family.
12. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
13. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
14. Insurance payments and settlements for personal injury or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation. This exclusion extends to workers' compensation payments, **except if they are paid at regular intervals for more than one year.**
15. All income from foster children and foster adults is excluded.
16. In cases where an adult family member is required to pay **court ordered** alimony and/or child support, this amount will be excluded and treated as an income deduction. Provided the member can prove regular payments are being made (garnishment, receipts, etc.)
17. PJCDA will exclude earned wage income up to ten thousand dollars (\$10,000) for any adult family member, head, co-head, or spouse who is over 65 (or will turn 65 in the recertification year).

Please note: These deductions do not apply for determination of income for families seeking program admission, these families must continue qualify by gross income before any deductions.

C .Asset and Asset Income-

Income generated from some assets is used in the calculation of annual income for the purpose of determining the Total Tenant Payment. Net family assets are defined as the net cash value after deduction of reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment. The following are excluded from assets:

- Interests in Indian trust land.
- Equity accounts in HUD homeownership programs; and
- The value of necessary items of personal property such as furniture and automobiles.
- FSS Accounts
- The value of real property the family does not have legal authority to sell
- Irrevocable Trusts
- Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability.

Where the family has net family assets in excess of five fifty thousand dollars (50,000) the PHA will use the greater of:

- Actual income from all net family assets, or
- Imputed asset income, which is the cash value of listed assets multiplied by HUD-determined local passbook interest rate.

Participants/ Applicants with assets less than five fifty thousand dollars (50,000) will require verifications from financial institutions of all family assets upon admission to the Housing Choice Voucher Program (HCV) and then again at least every three (3) years thereafter.
Assets Disposed of for Less than Fair Market Value

- The PHA's minimum threshold for counting assets disposed of for less than fair market value is fifty thousand dollars (\$50,000). If the total value of assets disposed of within the two (2) year period is less than five fifty thousand dollars (\$50,000) they will not be considered

Families with net assets over \$100,000 (after adjusted for inflation) would be ineligible from the HCV program. These calculations are subject to due process and the families will have an opportunity to request a review.

Families would be ineligible for assistance, if they own real property suitable for occupancy by that family and meet certain conditions (have an ownership interest, legal right to reside in, and authority to sell the property)

Exceptions may apply:

- A family that receives assistance for the property from the Housing Choice Voucher Program
- Property jointly owned with someone else, and occupied by the other owner who is not a member of the household receiving benefits
- A Victim of domestic violence, dating violence, sexual assault, or stalking
- A family that is offering the property for sale

PJCDA cannot waive the asset requirement but may allow the family up to 6 months after the effective date of the annual or interim recertification to cure the non-compliance. This may allow the family to come into compliance during that time. This waiver applies only to participants and not to the eligibility of new admissions.

Contributions to retirement funds

Contributions to company retirement/pension funds are handled as follows:

- Any distribution of periodic payments from these retirement accounts shall be considered income at the time they are received by the family.
- Exclusion of Retirement and Educational Savings Accounts: Retirement accounts and educational savings accounts will not be considered a net family asset
- Cash App/Venmo are not considered financial institutions but rather instruments for the movement of funds.

Asset Income Exclusion

Baby Bonds

- Income earned by government contributions to, or distributions from, 'baby bond' accounts created, authorized, or funded by federal, state, or local government.

Trust Distributions

Irrevocable trust or revocable trust outside of family or household control, excluded from the definition of net family assets under § 5.603(b),

- Distributions of the principal, or corpus, of the trust, and
- Distributions of income from the trust used to pay the costs of health and medical care expenses for a minor

Revocable trust or a trust under the control of the family or household:

- any distributions from the trust are excluded from income.
- Except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

D. ALLOWABLE DEDUCTIONS

1. Elderly/Disabled allowance: Five hundred twenty-five dollars (\$525) per household for families whose head, co-head or spouse is sixty-two (62) or over or disabled.
2. Allowable medical expenses: 24 CFR 5.609(b)(6) Un-reimbursed (medical expenses not covered by medical insurance schools [for special education students], or other sources) medical expenses for all family members that exceed 10% of the gross annual income of the family are deducted for elderly and disabled families.
3. Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold.

Participants	2024 Recertification	2025 Recertification	2026 Recertification
Already receiving a medical expense deduction of 3% of Gross Income	5% Of Gross Income	7.5% Of Gross Income	10% Of Gross Income
Claiming a medical expense deduction at 2024 Recertification or new admission	10% of Gross Income	10% of Gross Income	10% of Gross Income

NOTE

Earned Income Disregard (EID)

Effective January 1, 2024, only families currently participating in EID may continue to receive benefits up to 2 years from this date.

4. Dependent Deductions

Families will receive a four hundred eighty-dollar deduction (\$480) for each dependent. A Dependent is a member of the family other than the family head or spouse (except foster children and foster adults), who is any of the following: Under 18 years of age; or. A person with a disability; or. A full-time student who is 18 years of age or older. under 18 or full-time student over 18. This \$480 deduction is now subject to change annually in accordance with the HUD supplied inflationary adjustment.

5. Childcare Deductions

Non-reimbursable childcare expenses for children under thirteen (13) years of age shall be deducted from annual income if they enable a family member to actively seek employment, to be employed, or to further his or her education.

E. Safe Harbor Income Determination

PJCDA may determine the family's income (prior to the application of any deductions) based on income determinations made within the previous 12-month period for purposes of a means-tested form of Federal public assistance:

- a) The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.).
- b) Medicaid (42 U.S.C. 1396 et seq.).
- c) The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).
- d) The Earned Income Tax Credit (26 U.S.C. 32).
- e) The Low-Income Housing Tax Credit (26 U.S.C. 42).
- f) The Special Supplemental Nutrition for Woman, Infants, and Children (42 U.S.C. 1786).
- g) Other programs administered by the Secretary or other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding.

NOTE:

- PJCDA may use a Safe Harbor income determination at admission and reexamination.
- PJCDA may prefer its own income determination over other sources.
- PJCDA may reject a Safe Harbor income determination if verification appears incomplete or suspect.

F. Interim Recertifications (IR)

Families no longer need to report changes to family income or composition as they occur but will now have thirty (30) days to report changes. Families that experience an increase in **earned** income after the effective date of their recertification will have until their next recertification before that change is processed.

Decrease in Adjusted income

The PJCDA will conduct an interim change only when the cumulative annual adjusted income decreases more than five percent (5%) The procedure is as follows:

1. PJCDA will process an interim reexamination for all decreases in adjusted income when the family member had income and permanently moves out of the unit
2. The PJCDA will review and determine whether there have been other changes to family composition, income assets, or allowances since the most recent certification. If the answer is no there is no reason to verify these again – (Tenant fills out the

3. tenant information form- TIF). Obtain third-party verification or safe harbor income other facts reported as changed since the last recertification and maintain documentation in the tenant file
4. Print the HUD Family report (50058) and place in tenant file
5. Calculated decreases will be rounded up to the nearest unit (a calculated decrease of 4.5% to 5%)

Increase in Adjusted income

1. PJCDA will process an interim recertification when the family's annual adjusted income has changed by an amount that would result in an estimated increase of ten percent (10%) or more or other amount established through a HUD notice.
2. PJCDA will not consider earned income when estimating the increase unless the family received an interim reduction during the same reexamination cycle.
3. PJCDA will not conduct an interim reexamination if the family reports an increase within three (3) months of their next annual reexamination.

G. Non-Interim Reexamination

Changes that must be recorded, but no longer trigger an IR this transaction is used for the following situations.

- Adding or removing a hardship exemption
- Adding or removing a non-family member (live-in aide foster child or adult)
- Adding or removing a family member when an increase in adjusted income does not trigger an IR.
- Adding or updating a family member's SSN or citizenship status.

H. Required Documentation:

The following is needed to verify identity Social Security number (SSN) and age:

- a) Social Security - original social security card or original document issued by a federal or state government agency which contains the name, SSN, and other identifying information of the individual.
- b) Also, acceptable is a self-certification of the SSN number and one third party document including the name of the individual, utility bill, phone bill, benefit letter or verification from an established agency. If this method is used an explanation as to why other documentation could not be obtained must be included in the participant file.
- c) If the SSN becomes verified through EIV no further action is required.
- d) If the number fails to verify in EIV, PJCDA must obtain a valid SSN issued by the SSA, or an original document issued by a federal or state governmental agency that contains name and SSN along with other identifying information about them.
- e) If an individual still cannot provide proof of their SSN, participation is terminated.
- f) Birth certificate, baptismal certificate, military discharge papers, valid passport, census document showing age, naturalization certificate, social security administration benefits form that shows date of birth

g) Immigration Status - As per HUD regulations -Section 8 rental assistance for persons who are not U.S. citizens, nationals or possess eligible immigration status must also provide the PJCDA with evidence of required eligible status per the following, this applies to applicant families:

- Signed declaration of U.S. citizenship (by birth or naturalization); or
- Signed declaration of eligible immigration status.
- For non-citizens, 62 years of age and older, proof of age is also required.

I. New Verification Hierarchy

Verification Technique	HUD Rank level	HUD Ranking
Enterprise Income Verification (EIV)	6	highest
The Work Number or web-based state benefits system	5	highest
Tenant provided verification or EIV +self - certification	4	high
Written 3 rd party form	3	medium
Oral 3 rd party verification	2	medium
Self- Certification	1	low

1. If there are no changes to family income in the previous twelve (12) months EIV and self- certification can be used.
2. If there was an executed IR, in the previous twelve (12) months that income can be used for the recertification provided there are no changes.
3. For no reported changes the prior year's income can be used with the following:
 - a) EIV and self-certification (wages SSI, SSA and unemployment
 - b) Year-end statement
 - c) Paycheck with year-end amount
 - d) Tax forms- W2, 1099 1040 etc.
4. If there are changes in annual income that have not been processed, current income must be used.

J. Authorizations and releases

- Privacy Act Notices HUD-9886 must be signed by all new admissions
- All current participants must sign the new version no later than their next IR or AR whatever comes first.
- Any family member who turns 18 must sign, or any adult being added to the household must sign the form.
- This form is only signed once however the following exceptions apply
 - a) Family is denied assistance
 - b) Family's assistance is terminated
 - c) Family voluntarily exits the program
 - d) Family provides written revocation of consent

Any family or new admission that revokes consent or refuses to sign the form will be terminated.

K. De Minimis Errors in income

- HUD defines a de minimis error as an error that results in a difference in the determination of a family's adjusted income of \$30 or less per month, or \$360 per year.
- If a de minimis error occurs and the family's tenant portion is higher as a result, PJCDA will reimburse the family beginning the date the family was effected.
- Families will not be required to repay in instances where their tenant portion was lower due to the de minimis error.