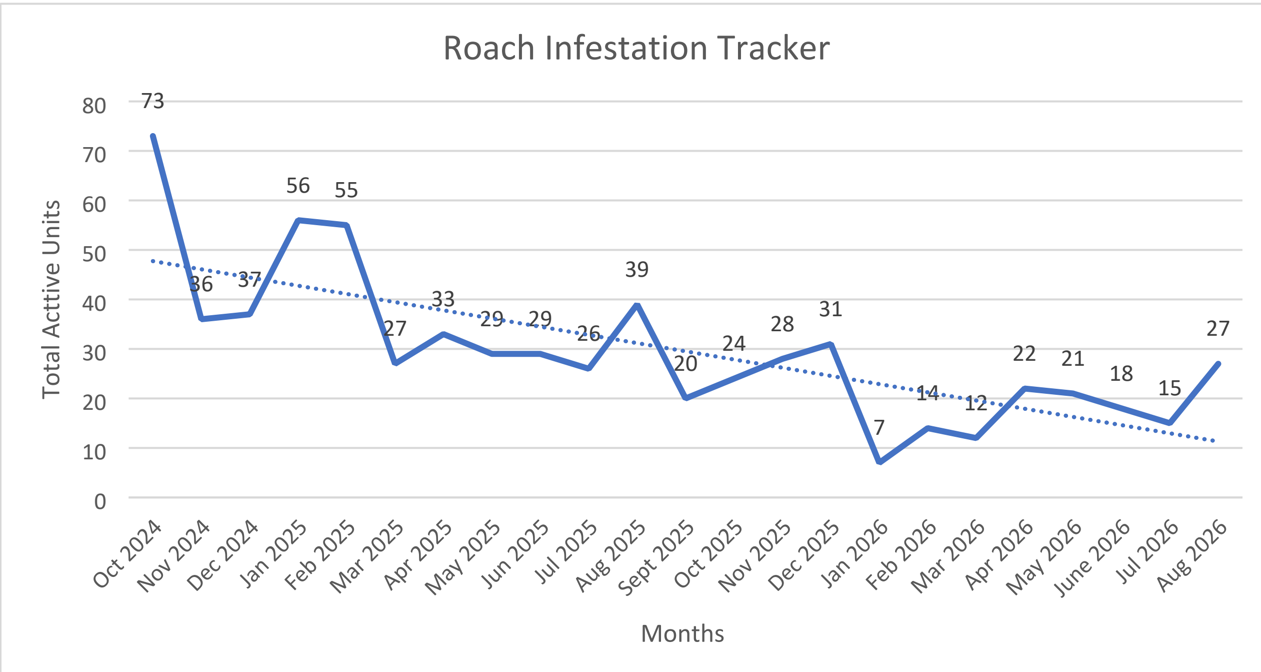
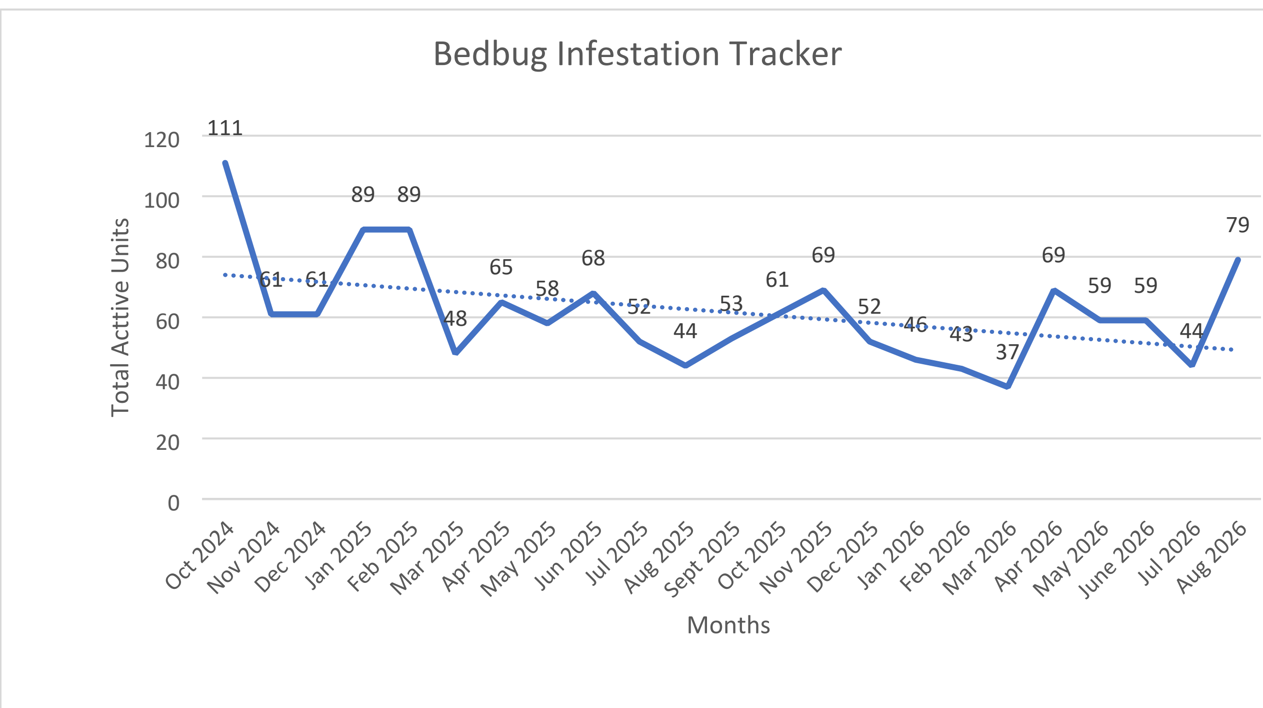
OHA Regular Meeting of the Board of Commissioners
Thursday, September 3, 2026 8:30 AM
First Floor Boardroom
1823 Harney Street
Omaha, NE 68102

1. ANNOUNCEMENT OF OPEN MEETINGS ACT
2. ROLL CALL
3. PUBLIC COMMENTS
4. REPORT OF CHIEF EXECUTIVE OFFICER

Pest Control Report – August 2026

OHA Towers – Total Units 1263





Memorandum

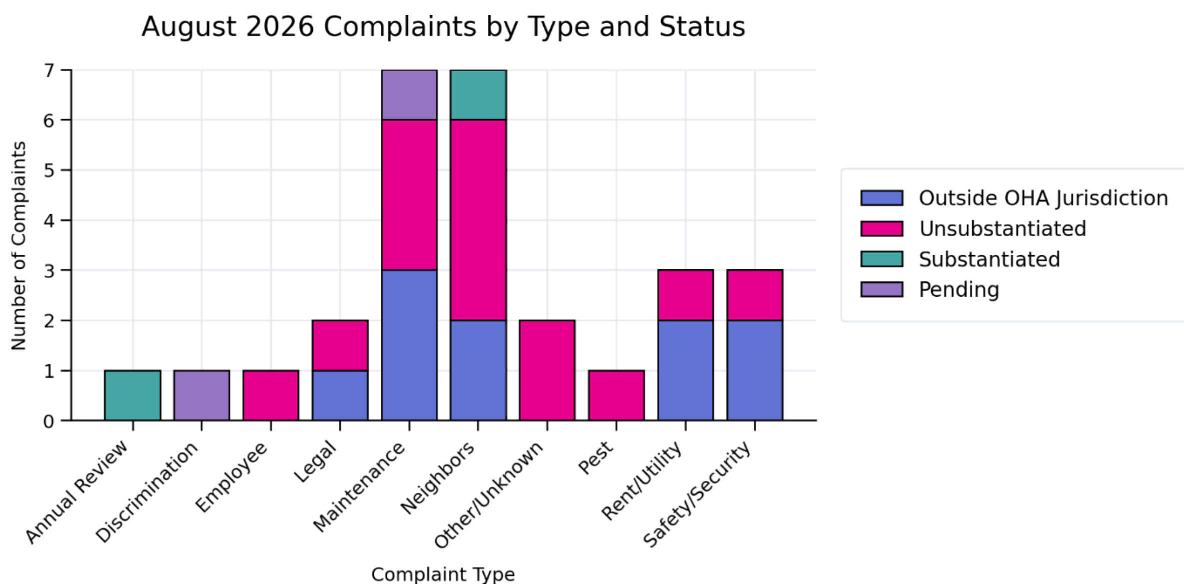
To: OHA Board of Commissioners

Date: September 3, 2026

Re: Complaint Report – August 2026

Reporting Period	August 1 - 31, 2026
Total Complaints this Period	28
Number of Complaints Substantiated	2 (7.1%)
Average Resolution Time	7.8 Days

Complaint Type	Outside OHA Jurisdiction	Unsubstantiated	Substantiated	Pending	TOTAL
Annual Review	0	0	1	0	1
Discrimination	0	0	0	1	1
Employee	0	1	0	0	1
Legal	1	1	0	0	2
Maintenance	3	3	0	1	7
Neighbors	2	4	1	0	7
Other/Unknown	0	2	0	0	2
Pest	0	1	0	0	1
Rent/Utility	2	1	0	0	3
Safety/Security	2	1	0	0	3
TOTAL	**10**	**14**	**2**	**2**	**28**



Memorandum

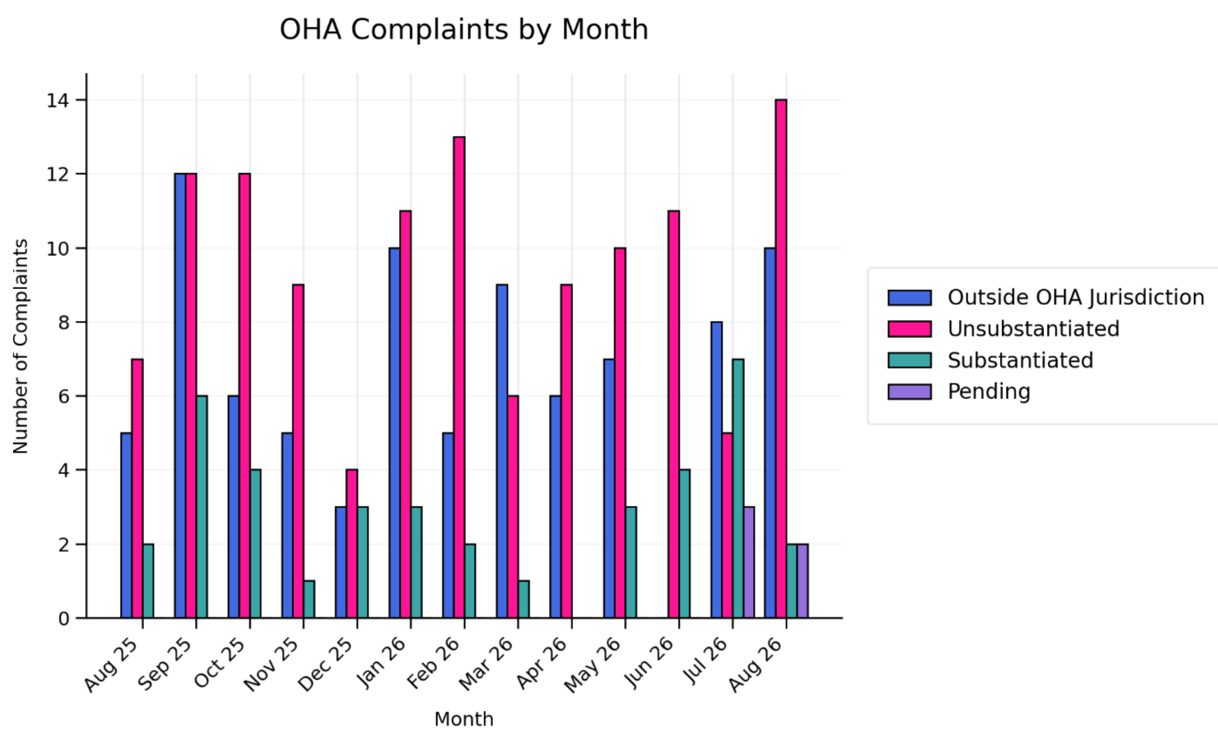
To: OHA Board of Commissioners

Date: September 3, 2026

Re: Complaint Report – August 2026

Reporting Period	2026
Total Complaints Received this Period	161
Number of Complaints Substantiated	22 (13.7%)
Average Resolution Time	5.9 Days

Complaint Type	Outside OHA Jurisdiction	Unsubstantiated	Substantiated	Pending	TOTAL
Annual Review	0	3	2	0	5
Discrimination	4	3	0	1	8
Employee	0	8	2	0	10
Legal	2	2	0	0	4
Maintenance	13	14	3	1	31
Neighbors	7	20	8	0	35
Other/Unknown	9	10	0	0	19
Pest	3	5	3	0	11
Rent/Utility	8	8	3	0	19
Safety/Security	9	9	1	0	19
TOTAL	**55**	**82**	**22**	**2**	**161**



5. FY2025 AUDIT PRESENTATION

CliftonLarsonAllen LLP
CLAconnect.com

Management
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

In planning and performing our audit of the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our report on the financial statements dated August 10, 2026.

Tenant Security Deposits

During testing, CLA compared the balance of restricted cash held for tenant security deposits (FDS Line 114) to the related tenant security deposit liability (FDS Line 341). While performing this procedure, CLA noted that restricted cash held for tenant security deposits was less than the tenant security deposit liability by $52,565. In accordance with HUD requirements and sound internal control practices, housing authorities are required to maintain sufficient restricted cash to cover tenant security deposit liabilities.

We recommend management review security deposit cash and liabilities at least quarterly and ensure that sufficient cash is maintained in a separate bank account to cover the restricted liabilities.

Collateralization

CLA noted bank deposits with Horizon Bank were above the FDIC limit of $250,000 but did not have a collateralization agreement in place for these bank accounts as of December 31, 2025, in the amount of $17,311. This bank is not part of the Nebraska single bank deposit plan.

We recommend management perform a review of collateral held on deposits and ensure that all balances are adequately collateralized.

Outstanding Checks

During audit procedures over cash accounts, CLA noted over $530,000 of outstanding checks that were over 1 year old, with some dating back to 2014. It is Nebraska State Policy to report any undeposited checks to unclaimed property that over 1 year old.

CLA recommends management revisit these aged outstanding checks to determine what balances need to be written off and remitted to unclaimed property.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

Omaha Housing Authority

1823 Harney Street ~ Omaha, NE 68102 ~ 402.444.6900 ~ www.ohauthority.org

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2025

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following corrective action plan for the year ended December 31, 2025.

Audit period: January 1, 2025 – December 31, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2025-001 Financial Reporting

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will evaluate and enhance its financial reporting process, including reconciliation and monthly/year-end close procedures, to strengthen controls over timely and accurate financial reporting. Management will also evaluate staffing and accounting responsibilities to help ensure transactions are recorded accurately and financial statements are prepared in accordance with U.S. GAAP.

Name of the contact person responsible for corrective action: Ashley Hatheway, CFO
Planned completion date for corrective action plan: December 31, 2026

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2025-002 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 - Eligibility

Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will review and revise eligibility determination procedures to ensure compliance with HUD requirements and will provide staff training on required documentation and verification protocols. The Authority will also perform a file review to identify and correct documentation deficiencies and update its Administrative Plan as needed to reflect current eligibility screening procedures.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director

Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-003 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – PIC Submissions

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will designate an individual responsible for monitoring HUD-50058 submissions and ensuring information is entered into the PIC system accurately and within required timeframes. Management will review the submission process and implement follow-up procedures to reduce the risk of untimely or unsupported PIC submissions.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-004 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – Annual HQS Inspections

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update it's Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will implement monitoring controls to ensure units are inspected annually in accordance with HUD requirements and the Authority's administrative policy. Management will evaluate internal inspection capacity and consider the use of an outside firm if additional resources are needed to complete required inspections timely.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Ashley Hatheway at 402-444-6900.

OHA 2025 Audit Synopsis – Financial

1. Clean aka unmodified opinion *(from Audit Report in Sparq, page 1)*
2. **Finding 2025 – 001** – Financial Reporting – Material Weakness in Internal Control over Financial Reporting *(from Audit Report in Sparq, pages 47-48)*

2025-001 – Financial Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Authority does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

During the audit, there were multiple material adjustments recorded to correct account balances to properly state the Authority's financial statements for accurate reporting. This is indicative of a lack of internal controls over the financial reporting.

Financial Reporting Themes

Material Items/Adjusting Journal Entries *(from OHA Governance Communication document in Sparq, PDF pages 16-25)*

1. Repairs & Maintenance items that should have been capitalized – recurring issue
2. Improper recording of Contract Retainage – new for 2025
3. Gain/loss on sale of capital assets to River City for RAD conversions – new for 2025
4. Leases Receivable – new for 2025
5. CNIS grant – revenue & expense did not net in current year – new for 2025
6. Failure to move completed Capital Fund projects to the respective AMP – need clarification on appropriate treatment from CLA
7. Failure to record Unearned Revenue and associated payable to HUD – need clarification on appropriate treatment from CLA
8. Six entries listed within the AJE workpaper were for FDS reporting purposes only and are not reflective of a failure to record financial transactions appropriately

Passed Items/Immaterial Items *(from OHA Governance Communication document in Sparq, PDF pages 5-6)*

1. Failure to accrue outstanding accounts payable at year end – recurring issue
2. Unclaimed property reporting – recurring issue

3. Failure to remove “old” assets & liabilities from our financial records (Spencer) – new for 2025

OHA 2025 Audit Synopsis – Section 8 Program

1. **Finding 2025 – 002** – Section 8 Eligibility – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 51-52))*

Condition: Out of 60 tenant files tested for eligibility, 17 tenant files contained errors or missing required documentation.

Questioned Costs: Actual, likely and projected questioned costs were under $25,000. This was based on the expected HAP impact calculated on the untimely recertifications.

Context: Out of 60 tenant files tested, exception were noted in the following 17 tenant files:

- 5 instances where the tenant file did not contain a signed HUD-9886 or HUD-9886-A form by all members of the household over 18.
- 1 instance the tenant file did not contain a signed general release form by all members of the household over 18.
- 13 instances where the HUD-50058 recertification was not performed annually.

Cause: The Authority failed to implement the internal controls designed to ensure compliance with eligibility requirements were met.

2. **Finding 2025 – 003** – Section 8 PIC Submissions – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 53)*

Condition: Out of 60 HUD-50058’s tested for PIC submissions, 8 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Questioned Costs: The timeliness of submitting HUD-50058’s into the PIC system does not have an impact on the HAP calculation.

Context: During the testing of 60 tenant files for PIC submissions, the following exceptions were noted:

- 2 instances where the HUD-50058 could not be located in the PIC system.
- 6 instances where PIC was not submitted within 90 days of the effective date.

Cause: The Authority failed to submit accurate information into the PIC system within 90 days of the effective date of the HUD-50058.

3. **Finding 2025 – 004** – Section 8 HQS Inspections – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 54)*

Condition: Out of 60 tenant files tested for annual HQS inspections, 8 tenant files contained exceptions.

Questioned Costs: None identified. The Authority did not complete the annual HQS inspection within the required timeframe for the unit tested. While this represents noncompliance with program requirements, we did not perform procedures to determine whether the unit failed to meet HQS. As a result, we did not determine whether HAP payments made during the period of noncompliance were unallowable. Accordingly, questioned costs could not be determined.

Context: Out of the testing of 60 tenant files for annual HQS inspections, there were 8 instances where the unit was not inspected on an annual basis.

Cause: The Authority failed to follow its Administrative Plan of inspecting units on an annual basis.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
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YEAR ENDED DECEMBER 31, 2025

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedules (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

The Housing Authority of the City of Omaha, Nebraska (the Authority) management discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns. The focus of this MD&A is on the Primary Government of the Authority which includes all the financial activity of the Authority with the exception of its discretely presented component unit.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Overview of the Financial Statements

The basic financial statements in this report are those of a special purpose governmental entity engaged in a business type of activity. The following statements are included:

- Statement of Net Position – presents information about the Authority's assets, liabilities, and net position and is similar to a balance sheet. The Statement of Net Position reports all financial capital resources for the Authority. This statement is presented in the format where assets minus liabilities equals "Net Position", which is equivalent to equity in a commercial enterprise. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash or expected to be used up within one year), and "noncurrent". Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving.

- Statement of Revenues, Expenses, and Changes in Net Position – reports the Authority's revenues by source and type of its expenses by category to substantiate the change in net position for the fiscal year then ended.

- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, investing activities, noncapital financial activities, and capital and related financing activities.

Net Position is reported in three broad categories:

- Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

- Unrestricted Net Position: Consists of net position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types. The Authority consists of exclusively enterprise funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by business in the private sector. All of the activities of the Authority are reported in a single enterprise fund.

The Authority's Programs

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Omaha.

Public and Indian Housing

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Business Activities

The Authority owns non-federal housing units and various interests in low-income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low- and very low-income Americans; to strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Resident Opportunity and Supportive Services - Service Coordinators Program

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence, and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Mainstream Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families whose head of household has a disability. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Central Office Cost Center

The Central Office Cost Center (COCC) is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees, and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation

The purpose of the Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation is to aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants.

Choice Neighborhood Implementation Grant

The objective of the Choice Neighborhood Implementation Grant is to support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities to build the necessary support to successfully implement the plan.

Emergency Housing Vouchers Program

During the year ended December 31, 2021, the Authority was awarded Emergency Housing Vouchers. These funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Choice Neighborhood Planning Grant

The objective of the Choice Neighborhood Planning grant is to support the development of comprehensive neighborhood revitalization plans which focused on directing resources to address three core goals: Housing, People, and Neighborhoods. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. The Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

Financial Highlights

Total Assets and Deferred Outflows for fiscal year 2024 were $76,512,664 and for fiscal year 2025 the amount was $73,437,695. This represents an overall net decrease of $3,074,969 or 4%.

Cash and Cash Equivalents decreased from $10,743,670 in fiscal year 2024 to $7,973,323 in fiscal year 2025, or by $2,770,347 and 26%. The decrease is due to timing of receiving and spending of HUD funding.

Other Current Assets increased from $1,327,575 in fiscal year 2024 to $3,301,764 in fiscal year 2025, or by $1,974,189 and 149%. The increase is due to changes in receivable balances and timing of the draw down of funds.

Other Noncurrent Assets increased from $2,429,487 in fiscal year 2024 to $3,985,193 in fiscal year 2025, or by $1,555,706 and 64%. The increase is due to extended lease terms increasing lease receivables.

Capital Assets, Net decreased from $62,011,932 in fiscal year 2024 to $57,977,344 in fiscal year 2025, or by $4,034,588 and 7%. The decrease is the net amount of capital asset additions, disposals, and depreciation expense recognized during fiscal year 2025.

Current Liabilities increased from $2,815,693 in fiscal year 2024 to $3,851,401 in fiscal year 2025, or by $1,035,708 and 37%. The increase is primarily due to the timing of invoices and changes in accrued liabilities.

Deferred Inflows of Resources increased from $1,966,652 in fiscal year 2024 to $3,324,391 in fiscal year 2025, or by $1,357,739 and 69%. This is primarily due to changes in lease-related deferred inflows.

Analysis of Entity-Wide Assets and Liabilities (Statement of Net Position)

	2025	2024	Net Change	Percent Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and Cash Equivalents	$ 7,973,323	$ 10,743,670	$ (2,770,347)	(26)%
Other Current Assets	3,301,764	1,327,575	1,974,189	149 %
Other Noncurrent Assets	3,985,193	2,429,487	1,555,706	64 %
Capital Assets, Net	57,977,344	62,011,932	(4,034,588)	(7)%
Deferred Outflows of Resources	200,071	-	200,071	100 %
Total Assets and Deferred Outflows of Resources	$ 73,437,695	$ 76,512,664	$ (3,074,969)	(4)%
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities	$ 3,851,401	$ 2,815,693	$ 1,035,708	37 %
Noncurrent Liabilities	3,353,380	3,293,282	60,098	2 %
Deferred Inflows of Resources	3,324,391	1,966,652	1,357,739	69 %
Total Liabilities and Deferred Inflows of Resources	10,529,172	8,075,627	2,453,545	30 %
NET POSITION				
Net Investment in Capital Assets	38,457,455	57,662,411	(19,204,956)	(33)%
Restricted Net Position	2,816,185	4,688,765	(1,872,580)	(40)%
Unrestricted Net Position	21,634,883	6,085,861	15,549,022	255 %
Total Net Position	62,908,523	68,437,037	(5,528,514)	(8)%
Total Liabilities and Net Position	$ 73,437,695	$ 76,512,664	$ (3,074,969)	(4)%

Analysis of Capital Asset Activity

	2025	2024	Net Change	Percent Variance
Land	$ 8,299,144	$ 8,299,144	$ -	0 %
Buildings and Leasehold Improvements	194,707,699	208,011,219	(13,303,520)	(6)%
Furniture, Equipment, and Machinery	8,914,052	8,651,017	263,035	3 %
Construction in Progress	3,454,103	2,169,833	1,284,270	59 %
Total Capital Assets	215,374,998	227,131,213	(11,756,215)	(5)%
Less: Accumulated Depreciation	(157,397,654)	(165,119,281)	7,721,627	(5)%
Total Capital Assets, Net	$ 57,977,344	$ 62,011,932	$ (4,034,588)	(7)%

In fiscal year 2025, the Authority's net capital assets decreased from $62,011,932 to $57,977,344, a decrease of $4,034,588 or 7%. The decrease was primarily attributable to the disposal of the Spencer property and depreciation expense during the year.

Note 5 summarizes the activity of capital assets.

Analysis of Long-Term Debt

The Authority's notes payable at December 31, 2024 and 2025 amounted to $2.29 million and $2.24 million, respectively. There was a decrease in 2025 due to annual principal payments of $50,715.

Analysis of Entity-Wide Revenues

The Authority administers the following programs and the revenues generated from these programs during fiscal year ended 2025 were as follows:

Section 8 Housing Choice Vouchers (HCV)	$ 50,782,946
Emergency Housing Vouchers	892,496
Public and Indian Housing (LIPH)	15,992,439
Public Housing Capital Fund (CFP)	9,961,708
Choice Neighborhood Implementation Grant	2,414,900
Mainstream Vouchers (MV)	899,053
HOME Investment Partnership Program	164,681
PIH Family Self-Sufficiency Program	366,603
Lower Income HAP - Section 8 Moderate Rehabilitation	82,075
Blended Component Units	2,932,366
Business Activities	240,177
COCC	809,129
Total Revenues	$ 85,538,573

Total revenues for fiscal year 2024 were $77,437,469 as compared to $85,538,573 of total revenues for fiscal year 2025. This represents an increase of $8,101,104 or 10%. The majority of the increase was related to the Authority receiving more funding from HUD for federal programs.

Analysis of Entity-Wide Expenses

	2025	2024	Net Change	Percent Variance
Administrative	$ 12,717,296	$ 12,370,770	$ 346,526	3 %
Tenant Services	1,065,059	833,986	231,073	28 %
Utilities	2,943,559	3,144,977	(201,418)	(6)%
Maintenance	11,976,091	11,119,601	856,490	8 %
Protective Services	1,396,257	601,503	794,754	132 %
Insurance and General Expense	3,162,196	3,834,974	(672,778)	(18)%
Housing Assistance Payments	49,208,461	45,332,800	3,875,661	9 %
Depreciation Expense	8,528,122	8,488,550	39,572	0 %
Total Expenses	$ 90,997,041	$ 85,727,161	$ 5,269,880	6 %

Administrative expenditures for fiscal year 2024 were $12,370,770 as compared to $12,717,296 in fiscal year 2025. This represents an increase of $346,526 and 3%. This is primarily due to an increase in salaries and benefit costs and the rising prices of operating costs in the current year.

Maintenance expenditures for fiscal year 2024 were $11,119,601 as compared to $11,976,091 in fiscal year 2025. This represents an increase of $856,490 and 8%. This is primarily due to the Authority performing a higher amount of repairs and maintenance on properties in the current year.

Protective Services expenditures increased from $601,503 in 2024 to $1,396,257 in 2025, due to the need to the Authority completely outsourcing security to a contractor during the fiscal year.

Insurance and General expenditures for fiscal year 2024 were $3,834,974 as compared to $3,162,196 in fiscal year 2025. This represents a decrease of $672,778 and 18%. This is primarily due to a decrease in insurance and general costs during fiscal year 2025.

Housing assistance payments for fiscal year 2024 were $45,332,800 as compared to $49,208,461 in fiscal year 2025. This represents an increase of $3,875,661 and 9%. This is primarily due to an increase in vouchers issued and an increase in the average HAP payment paid to landlords during fiscal year 2025.

Depreciation expense for fiscal year 2024 was $8,488,550 as compared to $8,528,122 in fiscal year 2025. This represents an increase of $39,572. The difference is due to changes in capital asset activity and depreciation recognized during fiscal year 2025.

Financial Contact

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional information should be addressed to Ashley Hatheway, Chief Financial Officer of the Housing Authority of the City of Omaha, Nebraska.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash - Unrestricted	$ 3,736,431
Cash - Restricted	3,597,336
Tenant Security Deposits	639,556
Accounts Receivables, Net	2,651,233
Lease Receivable, Current	200,878
Prepaid Expenses	449,653
Total Current Assets	11,275,087
NONCURRENT ASSETS	
Other Assets	1,842
Lease Receivable, Noncurrent	3,633,351
Notes Receivable, Noncurrent	350,000
Capital Assets, Net	57,977,344
Total Noncurrent Assets	61,962,537
Total Assets	73,237,624
DEFERRED OUTFLOWS OF RESOURCES	200,071
Total Assets and Deferred Outflows of Resources	$ 73,437,695
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 823,195
Accrued Expenses	351,962
Tenant Security Deposits	692,121
Unearned Revenue	864,829
Notes Payable, Current	53,203
Other Current Liabilities	349,820
Accrued Compensated Absences, Current	326,358
Accounts Payable HUD	389,913
Total Current Liabilities	3,851,401
NONCURRENT LIABILITIES	
Accrued Compensated Absences, Noncurrent	516,076
Notes Payable, Noncurrent	2,187,862
Other Noncurrent Liabilities	649,442
Total Noncurrent Liabilities	3,353,380
Total Liabilities	7,204,781
DEFERRED INFLOWS OF RESOURCES	
Cell Tower Leases	3,324,391
NET POSITION	
Net Investment in Capital Assets	38,457,455
Restricted	2,816,185
Unrestricted	21,634,883
Total Net Position	62,908,523
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 73,437,695

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES	
Tenant Revenue	$ 8,462,669
HUD Operating Grants	65,866,456
Other Government Grants	2,564,610
Other Revenues	3,480,582
Total Operating Revenues	80,374,317
OPERATING EXPENSES	
Administrative	12,717,296
Tenant Services	1,065,059
Utilities	2,943,559
Ordinary Repairs and Maintenance	11,976,091
Protective Services	1,396,257
Insurance	1,679,937
General Expenses	1,322,592
Housing Assistance Payments	49,208,461
Casualty Losses - Noncapitalized	159,667
Depreciation	8,528,122
Total Operating Expenses	90,997,041
NET LOSS FROM OPERATIONS	(10,622,724)
NONOPERATING REVENUES (EXPENSES)	
Investment Income	116,881
Interest Expense	(70,046)
Loss on Disposal of Capital Assets	(87,763)
Nonoperating Revenues (Expenses), Net	(40,928)
NET LOSS BEFORE CAPITAL GRANTS	(10,663,652)
CAPITAL GRANTS	5,135,138
CHANGE IN NET POSITION	(5,528,514)
Net Position - Beginning of Year	68,437,037
NET POSITION - END OF YEAR	$ 62,908,523

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Collections from Tenants	$ 7,884,704
HUD Operating Grants Received	64,729,389
Other Income Receipts	5,562,821
Total Receipts	78,176,914
Disbursements:	
Payments to Employees for Wages and Benefits	(15,557,306)
Payments to Suppliers	(16,333,416)
Payments to Landlords	(49,208,461)
Total Disbursements	(81,099,183)
Net Cash Used by Operating Activities	(2,922,269)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Long-Term Debt	(50,715)
Interest Paid on Long-Term Debt	(70,046)
Proceeds from Capital Grants	5,135,138
Purchase of Capital Assets	(6,285,413)
Issuance of Notes Receivable	(350,000)
Proceeds from Sale of Capital Assets	1,704,116
Lease Payments Received	68,842
Net Cash Provided by Capital and Related Financing Activities	151,922
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(2,770,347)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	10,743,670
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 7,973,323
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION	
Cash - Unrestricted	$ 3,736,431
Cash - Restricted	3,597,336
Tenant Security Deposits	639,556
Total Cash, Cash Equivalents, and Restricted Cash	$ 7,973,323

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (10,622,724)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	8,528,122
(Increase) Decrease in Assets:	
Accounts Receivable - PHA Projects	(55,344)
Accounts Receivable - Other Govt	(1,471,636)
Accounts Receivable - Miscellaneous	(313,895)
Accounts Receivable - Tenants	(13,907)
Prepaid Expenses	(119,407)
Increase (Decrease) in Liabilities:	
Accounts Payable	(92,962)
Accrued Salaries and Benefits	16,705
Accrued Compensated Absences	230,347
Accounts Payable - HUD	389,913
Unearned Revenue	309,937
Tenant Security Deposits	(18,741)
Other Current Liabilities	254,704
Noncurrent Liabilities - Other	56,619
Net Cash Used by Operating Activities	$ (2,922,269)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Housing Authority of the City of Omaha, Nebraska (the Authority) is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives for low- and moderate-income families residing in the City of Omaha, Nebraska (the City). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of seven members who serve five-year terms. The governing board is essentially autonomous but responsible to HUD. An Executive Director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

Basis of Accounting/Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* (GASB 34), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. GASB 34 also requires the Authority to include management's discussion and analysis as part of the required supplementary information.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Financial Statement Presentation (Continued)

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, (GASB 33) grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments (HAP) under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported on HUD's Financial Data Schedule (FDS) as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to $500 on these funds may be retained by the Authority. Amounts in excess of $500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Funds

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Authority maintains the following type of proprietary fund:

Enterprise Fund

The Authority's operations are presented as a single enterprise fund. The transactions for each of the programs of the Authority are accounted for in separate funds for internal purposes and grant requirements and combined into one enterprise fund for external financial reporting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, (GASB 61) the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate, tax- exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes blended component units.

The Authority's blended component units are, although legally separate entities, in substance part of the Authority's operations and so data from these units are combined with data of the primary government and reflected in the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. As of December 31, 2025, the Authority's blended component units consisted of the following:

- Housing in Omaha, Inc.
- Omaha Crown Limited Partnership I
- Omaha Crown Limited Partnership II
- Strehlow Housing Partners Limited Partnership
- North Omaha Affordable Housing Limited Partnership
- 1613 Farnam Street Limited Liability Company
- 1234 South 13th Street Limited Liability Company
- Securities Building Limited Partnership
- Keystone Crown I, LP
- River City Housing Connections, which includes Pine Tower RC Housing, LLC and Scattered Sites RC Housing, LLC

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Resident Opportunity and Supportive Services Program / Service Coordinators (ROSS)

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Business Activities

The Authority owns non-federal housing units and various interests in low-income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low- and very low-income Americans; to strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Mainstream Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families whose head of household has a disability. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Central Office Cost Center

The Central Office Cost Center (COCC) is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation

The purpose of the Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation is to aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

Choice Neighborhood Implementation Grant

The objective of the Choice Neighborhood Implementation Grant is to support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities to build the necessary support to successfully implement the plan.

Emergency Housing Vouchers Program

During the year ended December 31, 2025, the Authority was awarded Emergency Housing Vouchers. These funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Choice Neighborhood Planning Grant

The objective of the Choice Neighborhood Planning grant is to support the development of comprehensive neighborhood revitalization plans which focused on directing resources to address three core goals: Housing, People, and Neighborhoods. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. The Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates.

Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or law. The assets that are restricted include the following:

Restricted Cash

Restricted cash consists of bank accounts that have been established din order to ensure the availability of funds to pay family self-sufficiency program participants, to repay tenant security deposits, to pay housing assistance payments to landlords, and reserve for replacements.

Receivables

Receivables consist of revenues earned during the fiscal year and not yet received. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled but earned as of year-end. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs, and reimbursement receivables from various parties in the normal course of business.

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants.

Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of affordable housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

Lease Receivable

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

Buildings	5 to 27.5 Years
Furniture and Equipment	5 to 15 Years
Site Improvements	7 to 27.5 Years

The Authority has established a capitalization threshold of $5,000.

Impairment of Long-Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended December 31, 2025, no impairment losses were recognized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inter-Program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

Unearned Revenue

The Authority's unearned revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

Accrued Compensated Absences

The liability for compensated absences reported in the statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

Net Position Classifications

Net position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Classifications (Continued)

Restricted Net Position – Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

Taxes

The Authority is a unit of local government under Nebraska law and is exempt from real estate, sales, and income taxes.

Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs received federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year-end or at the end of grant periods.

Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition, and tenant income. For the year ended December 31, 2025, rental revenue earned by the Authority under the aforementioned leases totaled $8,462,669.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving subsidies.

NOTE 2 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

As of December 31, 2025, the Authority had funds on deposit in checking, savings, and money market accounts. As of December 31, 2025, the carrying amount of the Authority's cash (on deposit) was $7,973,323 and the bank balances were $9,308,117. Cash and cash equivalents consist of the following:

Unrestricted	$ 3,736,431
Tenant Security Deposits	639,556
Restricted	3,597,336
Total Cash, Cash Equivalents, and Restricted Cash	$ 7,973,323

Of the bank balances of $9,308,117, $869,388 was covered by federal depository insurance, $1,045,488 was covered by additional collateral coverage, $7,375,930 was covered by the Nebraska Single-Bank Pooled Collateral Program pursuant to Nebraska Rev.Stat. Section 77-2398(2)(b)(ii), and $17,311 was not collateralized as of December 31, 2025.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, the Authority's bank balances of $17,311 was exposed to custodial credit risk.

NOTE 3 ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at December 31, 2025:

Accounts Receivable - Tenants, Net	$ 44,575
Accounts Receivable - Other Government	1,932,641
Accounts Receivable - Miscellaneous, Net	674,017
Net Accounts Receivable	$ 2,651,233

Accounts Receivable - Tenants

Accounts receivable - tenants represents amounts due for tenant rents and other tenant charges. At December 31, 2025, the balance is shown net of an allowance for doubtful accounts of $1,127,979.

NOTE 3 ACCOUNTS RECEIVABLE, NET (CONTINUED)

Accounts Receivable - Other Government

Accounts receivable - other government consists of amounts due from other housing authorities for portable tenants in the Section 8 Housing Choice Vouchers program and from other governmental agencies for unreimbursed grant expenditures. Management estimates that these amounts are fully collectible and as such, no allowance for doubtful accounts is recorded.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed from managed properties, landlord overpayments, and other miscellaneous sources from normal ongoing operations.

At December 31, 2025, the balance is shown net of an allowance for doubtful accounts of $1,870,792.

NOTE 4 RESTRICTED DEPOSITS

Restricted deposits consists of the following as of December 31, 2025:

Restricted for Modernization and Development	$ 2,086,140
Operating Reserves	372,436
Section 8 Programs	736
Family Self Sufficiency Program Escrows	763,296
Homeownership Escrows	374,728
Tenant Security Deposits	639,556
Total Restricted Deposits	$ 4,236,892

Restricted funds for modernization and development in the public housing program are restricted for the revitalization and rehabilitation of public housing units.

Operating reserves represent funds that are restricted to cover operating deficits of various projects.

Section 8 programs represent funds that are restricted for voucher assistance.

Family Self Sufficiency (FSS) program escrows are restricted for use in the Section 8 Housing Choice Vouchers program by FSS program participants.

Homeownership escrows represent funds that are restricted to cover costs associated with homeownership.

Tenant security deposits represent amounts held in escrow on behalf of tenants to cover any unpaid rent or damages to the Authority owned unit.

NOTE 5 CAPITAL ASSETS, NET

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 8,299,144	$ -	$ -	$ -	$ 8,299,144
Construction in Progress	2,169,833	2,661,876	(910,669)	(466,937)	3,454,103
Total Capital Assets, Not Being Depreciated	10,468,977	2,661,876	(910,669)	(466,937)	11,753,247
Capital Assets Being Depreciated:					
Buildings	202,881,540	2,393,857	(6,482,681)	(9,251,904)	189,540,812
Leasehold Improvements	5,129,679	65,025	(37,689)	9,872	5,166,887
Furniture and Equipment	8,651,017	1,164,655	(1,097,750)	196,130	8,914,052
Total Capital Assets, Being Depreciated	216,662,236	3,623,537	(7,618,120)	(9,045,902)	203,621,751
Total Capital Assets	227,131,213	6,285,413	(8,528,789)	(9,512,839)	215,374,998
Less: Accumulated Depreciation	(165,119,281)	(8,528,122)	6,736,910	9,512,839	(157,397,654)
Capital Assets, Net	$ 62,011,932	$ (2,242,709)	$ (1,791,879)	$ -	$ 57,977,344

Depreciation expense for the year ended December 31, 2025, amounted to $8,528,122.

Transfers represent assets transferred from public housing projects to the River City Housing Connections, a blended component unit. The decrease represents the change in net book value at the time of the transfer.

NOTE 6 NOTES RECEIVABLE

The Authority has notes receivable (including accrued interest) related to the redevelopment of affordable housing units at December 31, 2025 in the amount of $4,921,813. The notes receivable are shown net of an allowance for uncollectable amounts of $4,571,812 and consist of the following:

Description	Amount
The Authority issued a $3,881,598 loan to Mercy Timbercreek, LLC (the LLC), an affiliated limited liability company, to assist in the development of a low- to moderate-income housing complex known as Timbercreek Apartments. The principal amount and any unpaid accrued interest are payable only from net available cash flows of the LLC, as defined in the repayment agreement, with any outstanding principal and accrued interest due upon maturity. The note is secured by a deed of trust on the property, which is subordinate to a senior mortgage on the property.	$ 3,881,598

NOTE 6 NOTES RECEIVABLE (CONTINUED)

Description (Continued)	Amount
The second mortgage notes consist of mortgages due from homeowners. These mortgages do not bear interest and are forgiven over the lives of the loans as long as the homeowners meet the home ownership program requirements. They are secured by the underlying property.	$ 690,214
On December 8, 2025, the Authority loaned Kennedy East Market, LLC $350,000 via River City Housing Connections for a low-income rental housing project. The loan is secured by a leasehold deed of trust, security agreement, assignment of leases, rents, and fixture filing. The note only bears interest in the event of default and is due in full on March 30, 2063.	350,000
Total	4,921,812
Less: Allowance for Uncollectible Amounts	(4,571,812)
Total Notes Receivable, Net	$ 350,000

NOTE 7 LEASES RECEIVABLE

Leases receivables represent leases for which the Authority rents space to outside parties. Leases receivable are included in other assets on the statement of net position.

In December 2015, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company d/b/a Verizon Wireless for the lease of rooftop space on Florence Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for five additional five-year terms. As of December 31, 2025, the value of the lease receivable was $594,503. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,444, increasing by 3% each year. For the year ended December 31, 2025, the Authority received principal payments of $8,490 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $541,589. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $24,618.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

In December 2014, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company d/b/a Verizon Wireless for the lease of rooftop space on Benson Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for five additional five-year terms. As of December 31, 2025, the value of the lease receivable was $579,881. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,373, increasing by 3% each year. For the year ended December 31, 2025, the Authority received principal payments of $9,727 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025 was $468,853. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $24,676.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with T-Mobile Central, LLC for the lease of rooftop space on Benson Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for one additional five-year term. As of December 31, 2025, the value of the lease receivable was $539,554. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,000, increasing by 10% at the beginning of the renewal term. For the year ended December 31, 2025, the Authority received principal payments of $24,254 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $638,113. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $20,643. In 2025, the lease was extended through 2052.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company dba Verizon Wireless for the lease of rooftop space on Pine Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $437,455. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,833, increasing by 10% at the beginning of each renewal term. For the year ended December 31, 2025, the Authority received principal payments of $6,746 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $311,740. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,336.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

On April 6, 2005, the Authority entered into a lease agreement as a lessor with OUSCOC of Greater Iowa, Inc. a Pennsylvania corporation, dba US Cellular, Inc. for the lease of rooftop space on Crown Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $128,900. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,706 for the first 15 years, increasing to $2,156 for the next five years and finally increasing to $2,604 for the remaining five years. For the year ended December 31, 2025, the Authority received principal payments of $24,933 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $63,952. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $14,758.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with T-Mobile Central, LLC for the lease of rooftop space on Crown Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for one additional five-year term. As of December 31, 2025, the value of the lease receivable was $549,250. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,000, increasing by 10% at the beginning of the renewal term. For the year ended December 31, 2025, the Authority received principal payments of $24,254 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $538,336. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $20,643. In 2025, the lease was extended through 2052.

On November 27, 2006, the Authority entered into a lease agreement as a lessor with Sprint Spectrum, LP for the lease of rooftop space on Kay Jay Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $488,382. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,700 for the first five years, increasing to $2,040 for the next five years and finally increasing to $2,448 for the remaining 15 years. For the year ended December 31, 2025, the Authority received principal payments of $22,699 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $433,569. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,201. In 2025, the Authority extended the lease through 2042.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

In August 2002, the Authority entered into a lease agreement as a lessor with USCOC of Greater Iowa, d/b/a US Cellular, Inc. for the lease of rooftop space on Florence Tower. The term of the lease was for 25 years from the commencement date. As of December 31, 2025, the value of the lease receivable was $40,738. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,706 for the first 15 years which was increased to $1,806 during year 11, increasing to $2,256 for the next five years and finally increasing to $2,604 for the remaining five years. For the year ended December 31, 2025, the Authority received principal payments of $29,711 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $24,456. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $14,674.

In May 2013, the Authority entered into a lease agreement as a lessor with New Cingular Wireless PCS, LLC for the lease of rooftop space on Underwood Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $319,096. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,600 increasing 3% every year. For the year ended December 31, 2025, the Authority received principal payments of $13,970 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $206,580. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,637.

In November 2006, the Authority entered into a lease agreement as a lessor with Sprint Spectrum, LP for the lease of rooftop space on Pine Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $156,470. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,700 for the first five years, increasing by 10% every five years, increasing to $2,040 for the next five years and finally increasing to $2,448 for the remaining 15 years. For the year ended December 31, 2025, the Authority received principal payments of $22,624 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $97,203. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,201.

Total Lease Receivable	$ 3,834,229
Less: Current Portion	(200,878)
Lease Receivable, Net of Current Portion	$ 3,633,351

NOTE 8 OTHER CURRENT AND NONCURRENT LIABILITIES

Other current and non-current liabilities for the year ended December 31, 2025 consist of the following:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable	$ 2,291,780	$ -	$ (50,715)	$ 2,241,065	$ 53,203
Accrued Compensated Absences	612,087	696,106	(465,759)	842,434	326,358
FSS Escrows	592,823	62,096	(5,477)	649,442	-
Total	$ 3,496,690	$ 758,202	$ (521,951)	$ 3,732,941	$ 379,561

Family Self-Sufficiency (FSS) Liability represents escrow balances accumulated for participants enrolled in the Family Self-Sufficiency Program. These amounts are payable to participants upon successful completion of program requirements.

Compensated absences activity for the year ended December 31, 2025 consisted of the following:

Beginning Compensated Absences	$ 612,087
Compensated Absences Earned	696,106
Compensated Absences Redeemed	(465,759)
Ending Compensated Absences	842,434
Less: Current Portion	(326,358)
Compensated Absences, Noncurrent	$ 516,076

NOTE 9 LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2025:

Description	Amount
The Authority entered into a CDBG loan with the City of Omaha, in the original principal amount of $102,000. The loan is collateralized by a security interest in 1234 South 13th St. LLC. The loan is noninterest bearing with monthly payments of $238 which began in January 2021. The loan matures in January 2051.	$ 102,000
The Authority has entered into a CDBG mortgage note payable with the City of Omaha Planning Department, in the original amount of $400,000. The loan is secured by Omaha Crown Limited Partnership I property and equipment. The loan bears interest 1 1% per annum with monthly payments of $1,287, maturing in December 2047. Interest in the current period totaled $4,000.	400,000

NOTE 9 LONG-TERM DEBT (CONTINUED)

Description (Continued)	Amount
The Authority has entered into a HOME Loan with the City of Omaha, Nebraska, in the original amount of $300,000. The loan is collateralized by a security interest in 1613 Farnam St. LLC and is noninterest bearing. The loan has monthly payments of $833 which began in January 2021 and will mature on December 1, 2050.	$ 300,000
The Authority has entered into a note payable with Access Bank, in the original amount of $1,760,000. The note is secured by an interest in the central office building and bears interest at 4.71% per annum. The note has monthly payments of $10,063, with a balloon payment due at maturity in the amounts of $1,301,425. The note matures on August 2, 2028. Interest in the current period totaled $66,046.	1,439,065
Total	2,241,065
Less: Current Portion	(53,203)
Total Long-Term Debt, Net	$ 2,187,862

Annual debt service for principal over the next five years and in five-year increments thereafter is as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 53,203	$ 74,034	$ 127,237
2027	55,800	71,558	127,358
2028	1,330,062	68,961	1,399,023
2029	-	45,921	45,921
2030	-	4,000	4,000
2031-2035	-	20,000	20,000
2036-2040	-	20,000	20,000
2041-2045	-	20,000	20,000
2046-2050	700,000	12,000	712,000
2051-2054	102,000	-	102,000
Total	$ 2,241,065	$ 336,474	$ 2,577,539

NOTE 10 CONDUIT DEBT

The Authority has issued bonds to provide financing for multifamily housing. The Authority is not obligated to make any payments on the bonds and all liability lies with the property. The property is not a component unit or entity in the Authority's financial statements.

Issue Date	Bond/Note Title	Original Issue Amount	Amount Outstanding
May 4, 2023	CPT Burts Apartments 23,	$ 12,000,000	$ 12,000,000
October 10, 2025	Central at Columbus Park	28,000,000	28,000,000
November 13, 2025	Pine Tower, LLC	18,200,000	18,200,000

NOTE 11 RESTRICTED NET POSITION

Restricted net position consists of the following at December 31, 2025:

Restricted for Modernization and Development	$ 2,086,140
Reserves for Replacement	357,609
Operating Reserves	372,436
Total Restricted Net Position	$ 2,816,185

Restricted funds for modernization in the public housing program are restricted for the revitalization and rehabilitation of public housing units.

Reserves for replacement are restricted for use in the tax credit entities, for modernization of existing public housing units and/or development of new public housing units.

Operating reserves represent funds that are restricted in the case the project or program encounters an operating deficit.

NOTE 12 CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS

	Housing in Omaha, Inc.	1234 South 13th Street LLC	Omaha Crown LP I	Omaha Crown LP II
Assets:				
Current Assets	$ 3,032,682	$ 158,872	$ 329,779	$ 160,370
Capital Assets, Net	693,381	691,711	619,585	349,066
Other Noncurrent Assets	2,885,535	1,510	-	1,510
Total Assets	$ 6,611,598	$ 852,093	$ 949,364	$ 510,946
Liabilities:				
Current	$ 251,217	$ 354,253	$ 321,693	$ 196,984
Noncurrent	-	608,497	653,388	161,691
Total Liabilities	251,217	962,750	975,081	358,675
Net Position:				
Net Investment in Capital Assets	693,381	97,958	(33,401)	187,503
Restricted	-	14,280	346	-
Unrestricted	5,667,000	(222,895)	7,338	(35,232)
Total Liabilities and Net Position	$ 6,611,598	$ 852,093	$ 949,364	$ 510,946

	Strehlow Housing Partners LP	1613 Farnam Street LLC	Keystone Crown I, LP	North Omaha Affordable Housing LP
Assets:				
Current Assets	$ 364,921	$ 116,675	$ 395,836	$ 615,768
Capital Assets, Net	3,985,750	1,541,978	2,591,373	1,462,011
Other Noncurrent Assets	754	1,510	-	1,088
Total Assets	$ 4,351,425	$ 1,660,163	$ 2,987,209	$ 2,078,867
Liabilities:				
Current	$ 1,972,722	$ 910,106	$ 441,044	$ 270,454
Noncurrent	2,905,446	1,852,244	2,355,843	944,563
Total Liabilities	4,878,168	2,762,350	2,796,887	1,215,017
Net Position:				
Net Investment in Capital Assets	1,096,962	(308,728)	241,372	518,395
Restricted	82,776	758	4,143	308,490
Unrestricted	(1,706,481)	(794,217)	(55,193)	36,965
Total Liabilities and Net Position	$ 4,351,425	$ 1,660,163	$ 2,987,209	$ 2,078,867

	Securities Building LP	River City Housing Connections	Pine Tower RC Housing, LLC	Scattered Sites RC Housing, LLC	Total Blended Component Units
Assets:					
Current Assets	$ 346,225	$ 1,244,311	$ 86,526	$ -	$ 6,851,965
Capital Assets, Net	-	-	1,874,685	1,492,226	15,301,766
Other Noncurrent Assets	-	350,000	32,537	-	3,274,444
Total Assets	$ 346,225	$ 1,594,311	$ 1,993,748	$ 1,492,226	$ 25,428,175
Liabilities:					
Current	$ (129)	$ 834	$ 29,370	$ 18,763	$ 4,767,311
Noncurrent	-	-	-	-	9,481,672
Total Liabilities	(129)	834	29,370	18,763	14,248,983
Net Position:					
Net Investment in Capital Assets	-	-	1,874,685	1,492,226	5,860,353
Restricted	-	1,246,817	-	-	1,657,610
Unrestricted	346,354	346,660	89,693	(18,763)	3,661,229
Total Liabilities and Net Position	$ 346,225	$ 1,594,311	$ 1,993,748	$ 1,492,226	$ 25,428,175

NOTE 13 CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS (CONTINUED)

	Housing in Omaha, Inc.	1234 South 13th Street LLC	Omaha Crown LP I	Omaha Crown LP II
Operating Revenues:				
Tenant Revenue	$ -	$ 25,062	$ 59,298	$ 15,699
Other Revenues	-	174,693	74,200	52,102
Total Operating Revenues	-	199,755	133,498	67,801
Operating Expenses:				
Administrative	(4,442)	35,948	35,056	19,470
Maintenance, Utilities, and Insurance	-	166,419	93,889	50,739
Other Operating Expenses	2,422	17,581	20,559	9,392
Nonoperating Expenses	64,320	72,525	56,751	44,174
Total Operating Expenses	62,300	292,473	206,255	123,775
Other Income (Expenses)				
Interest Income	-	-	-	-
Gain/loss on sale of capital assets	-	279	496	372
Interest Expense	-	-	-	-
Total Other Income (Expenses)	-	279	496	372
Net Income (Loss)	$ (62,300)	$ (92,439)	$ (72,261)	$ (55,602)

	Strehlow Housing Partners LP	1613 Farnam Street LLC	Keystone Crown I, LP	North Omaha Affordable Housing LP
Operating Revenues:				
Tenant Revenue	$ 441,427	$ 155,808	$ 147,824	$ 143,583
Other Revenues	163,540	198,352	102,815	100,649
Total Operating Revenues	604,967	354,160	250,639	244,232
Operating Expenses:				
Administrative	134,698	63,327	26,831	69,144
Maintenance, Utilities, and Insurance	437,353	271,271	215,252	156,895
Other Operating Expenses	281,591	48,697	27,386	38,843
Nonoperating Expenses	334,561	175,951	202,604	174,749
Total Operating Expenses	1,188,203	559,246	472,073	439,631
Other Income (Expenses)				
Interest Income	3,007	-	-	4,902
Gain/loss on sale of capital assets	27,943	930	1,147	744
Interest Expense	-	-	-	-
Total Other Income (Expenses)	30,950	930	1,147	5,646
Net Income (Loss)	$ (552,286)	$ (204,156)	$ (220,287)	$ (189,753)

	Securities Building LP	River City Housing Connections	Pine Tower RC Housing, LLC	Scattered Sites RC Housing, LLC	Total Blended Component Units
Operating Revenues:					
Tenant Revenue	$ -	$ -	$ -	$ -	$ 988,701
Other Revenues	148	1,183,086	2,017,498	1,492,226	5,559,309
Total Operating Revenues	148	1,183,086	2,017,498	1,492,226	6,548,010
Operating Expenses:					
Administrative	-	185,331	(2)	-	565,361
Maintenance, Utilities, and Insurance	-	4,529	25,100	18,763	1,440,210
Other Operating Expenses	(395)	68,727	37,358	-	552,161
Nonoperating Expenses	-	-	(9,335)	-	1,116,300
Total Operating Expenses	(395)	258,587	53,121	18,763	3,674,032
Other Income (Expenses)					
Interest Income	-	17,328	-	-	25,237
Gain/loss on sale of capital assets	-	-	-	-	31,911
Interest Expense	-	-	-	-	-
Total Other Income (Expenses)	-	17,328	-	-	57,148
Net Income (Loss)	$ 543	$ 941,827	$ 1,964,377	$ 1,473,463	$ 2,931,126

NOTE 13 DEFINED CONTRIBUTION PENSION PLAN

The Authority has a governmental 457(b) deferred compensation plan administered by Empower. A 457 (b) deferred compensation plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are subject to ordinary income tax. The Authority does not contribute to this plan.

The Authority contributes to a 401-a defined contribution plan administered by the Authority. A defined contribution plan provides the opportunity to save for retirement on a tax-advantaged basis. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the return earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All regular, full-time, eligible employees, including unionized employees, of the Authority may participate in the pension plan starting four months after date of hire. Employees are required to contribute 5.50% of their compensation and will be vested as follows:

- 1 Year Employed - 50% Vested
- 2 Years Employed - 60% Vested
- 3 Years Employed - 70% Vested
- 4 Years Employed - 100% Vested

During the year, the Authority's required and actual contributions amounted to $539,833. Employees' required contributions amounted to $539,820. Employees' voluntary contributions amounted to $107,142.

NOTE 14 RISK MANAGEMENT

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs, and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 15 CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements, and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of December 31, 2025, the Authority estimates that no material liabilities will result from such audits.

In June 2025, OHA filed a lawsuit against the State of Nebraska challenging the constitutionality of Legislative Bill 840. LB 840, now codified at Neb.Rev.Stat.§ 71-15,139, mandates OHA to pay the cost of court-appointed counsel for tenants in eviction proceedings. OHA's funding is restricted by federal regulations or its contract with HUD (the Annual Contributions Contract). HUD has advised OHA that it cannot use its restricted funding to pay for tenants' attorneys. Because OHA has no other source of funding to pay for tenants' attorneys, OHA is unable to enforce the residential lease or program obligations. This puts OHA in a precarious position in terms of HUD program compliance. The case is currently being litigated and OHA continues to seek HUD's assistance in resolving the matter.

AFSCME Local 251 filed a wage dispute petition naming OHA as defendant with the Nebraska Commission of Industrial Relations in 2023. The parties entered into a settlement agreement in April 2025 to resolve the CIR dispute. The settlement agreement provided for back pay for certain union job classifications to January 2024, a pay freeze for other job classifications, and the elimination of overtime after eight hours per shift for all bargaining unit employees. As of February 2026, all payments required by the settlement agreement have been made and the CIR petition has been dismissed.

NOTE 16 SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through August 10, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissions
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated August 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissions
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Omaha, Nebraska's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, and 2025-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, and 2025-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Identification Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	$ -	$ 50,762,341
Mainstream Vouchers	14.879	N/A	-	899,053
Emergency Housing Vouchers	14.871	N/A	-	892,496
Total Housing Voucher Cluster			-	52,553,890
Section 8 Project Based Cluster:				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	-	81,798
Total Section 8 Project Based Cluster			-	81,798
Public and Indian Housing Program	14.850	N/A	-	7,973,185
Public Housing Capital Fund	14.872	N/A	-	9,961,708
Family Self Sufficiency Program	14.896	N/A	-	366,603
Total Department of Housing and Urban Development			-	70,937,184
Department of Housing and Urban Development - Pass-Through				
Passed Through the City of Omaha - Planning Department:				
HOME Investment Partnerships Program	14.239	47-6006304	-	149,710
Passed Through the City of Omaha:				
Choice Neighborhood Implementation Grant	14.889	47-6006304	-	2,121,554
Total Passed Through the City of Omaha			-	2,121,554
Total Department of Housing and Urban Development - Pass-Through			-	2,271,264
Total Expenditures of Federal Awards			$ -	$ 73,208,448

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Housing Authority of the City of Omaha, Nebraska under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Housing Authority of the City of Omaha, Nebraska, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City of Omaha, Nebraska.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The Authority has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? __x__ yes ____ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported

3. Noncompliance material to financial statements noted? ____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes ____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes ____ no

Identification of Major Federal Programs

Assistance Living Numbers	Name of Federal Program or Cluster
14.871/14.879	Housing Voucher Cluster (Section 8 Housing Choice Vouchers, Emergency Housing Vouchers, and Mainstream Vouchers)

Dollar threshold used to distinguish between Type A and Type B programs: $2,196,253

Auditee qualified as low-risk auditee? ____ yes __x__ no

Section II – Financial Statement Findings

2025-001 – Financial Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Authority does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

During the audit, there were multiple material adjustments recorded to correct account balances to properly state the Authority's financial statements for accurate reporting. This is indicative of a lack of internal controls over the financial reporting.

Material adjusting journal entries were required for the following financial statement lines:

- Receivables
- Capital Assets / Gain (Loss) on Disposal of Capital Assets / Depreciation / Contract Retainage
- Interprogram
- Notes Receivables
- Other Assets and Liabilities
- Accounts Payable and Accrued Liabilities
- Leases
- Grant Revenues and Expenses

Additionally, there were numerous errors noted regarding capital assets and accounts payable. The Authority did not properly reconcile capital assets to ensure invoices were properly capitalized or expensed. There were many reconciling items and adjusting journal entries recorded to properly state capital assets. Regarding accounts payable, the Authority did not accrue for any invoices received after fiscal year-end but for services rendered during the fiscal year.

Criteria or Specific Requirement: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations, and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP 2 CFR Part 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Section II – Financial Statement Findings (Continued)

2025-001 – Financial Reporting (Continued)

Effect: Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, significant number of audit adjustments, or a lack of timely financial information. Inaccurate and untimely reporting to HUD could adversely affect the Authority's funding. The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure timely and accurate recording of financial transactions to HUD and users of the financial statements.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2024-001.

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. Management will ensure that proper internal controls are in place to prevent significant errors from occurring.

Section III – Findings and Questioned Costs – Major Federal Programs

2025 – 002 – HVC Eligibility

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of the household signs (a) one or more release forms to allow the PHA to obtain information from third parties; (b) a federally prescribed general release form for employment information; and (c) a privacy notice. Under some circumstances, other members of the family are required to sign these forms (24 CFR sections 5.212 and 5.230).

The PHA must do the following:

(1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

(2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516).

(3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5 Subpart F (24 CFR section 5.601 et seq.) (24 CFR sections 982.201, 982.515, and 982.516).

(4) Use the Enterprise Income Verification (EIV) system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR 5.233; and reduce administrative and subsidy payment errors in accordance with 24 CFR 5.236 and other administrative guidance issued by HUD.

(5) Select tenants from the HCVP waiting list (see III.N.1, "Special Tests and Provisions – Selection from the Waiting List") (24 CFR sections 982.202 through 982.207).

(6) Re-examine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR section 982.516).

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 002 – HVC Eligibility (Continued)

Condition: Out of 60 tenant files tested for eligibility, 17 tenant files contained errors or missing required documentation.

Questioned Costs: Actual, likely and projected questioned costs were under $25,000. This was based on the expected HAP impact calculated on the untimely recertifications.

Context: Out of 60 tenant files tested, exception were noted in the following 17 tenant files:

- 5 instances where the tenant file did not contain a signed HUD-9886 or HUD-9886-A form by all members of the household over 18.
- 1 instance the tenant file did not contain a signed general release form by all members of the household over 18.
- 13 instances where the HUD-50058 recertification was not performed annually.

Cause: The Authority failed to implement the internal controls designed to ensure compliance with eligibility requirements were met.

Effect: The Authority is not in compliance with federal regulations regarding eligibility requirements determined by HUD. Errors in eligibility could result in incorrect HAP payments.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2024-002.

Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually;
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form;
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 003 – HVC PIC Submissions

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: HUD-50058, Family Report (OMB No. 2577-0083) – The PHA is required to submit this form electronically to HUD each time the PHA completes an issuance, admission, annual reexamination, interim reexamination, portability move-in, expiration, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA's jurisdiction under portability (24 CFR Part 908 and 24 CFR section 982.158).

Condition: Out of 60 HUD-50058's tested for PIC submissions, 8 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Questioned Costs: The timeliness of submitting HUD-50058's into the PIC system does not have an impact on the HAP calculation.

Context: During the testing of 60 tenant files for PIC submissions, the following exceptions were noted:

- 2 instances where the HUD-50058 could not be located in the PIC system.
- 6 instances where PIC was not submitted within 90 days of the effective date.

Cause: The Authority failed to submit accurate information into the PIC system within 90 days of the effective date of the HUD-50058.

Effect: The Authority is not in compliance with federal regulations regarding PIC submission requirements determined by HUD.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2024-003.

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 004 – HVC HQS Inspections

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: The PHA must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

Condition: Out of 60 tenant files tested for annual HQS inspections, 8 tenant files contained exceptions.

Questioned Costs: None identified. The Authority did not complete the annual HQS inspection within the required timeframe for the unit tested. While this represents noncompliance with program requirements, we did not perform procedures to determine whether the unit failed to meet HQS. As a result, we did not determine whether HAP payments made during the period of noncompliance were unallowable. Accordingly, questioned costs could not be determined.

Context: Out of the testing of 60 tenant files for annual HQS inspections, there were 8 instances where the unit was not inspected on an annual basis.

Cause: The Authority failed to follow its Administrative Plan of inspecting units on an annual basis.

Effect: The Authority is not in compliance with federal regulations regarding HQS inspection requirements determined by HUD and it's Administrative Plan.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2024-005.

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update its Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Views of Responsible Officials: There is no disagreement with the audit finding.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	CURRENT ASSETS									
111	Cash - Unrestricted	$ 648,766	$ 2,195	$ 434,551	$ 51,432	$ 28,699	$ 2,322	$ 2,185	$ 27,157	$ -
112	Cash - Restricted Moderation/Development	796,030	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	38,509	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	521,834	-	-	-	-	-	-	-	11,148
115	Cash - Restricted for Payment of Current Liabilities	374,728	-	-	-	-	-	-	-	-
100	Total Cash	2,379,867	2,195	434,551	51,432	28,699	2,322	2,185	27,157	11,148
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	55,344	-	-	-
124	Accounts Receivable - Other Government	-	-	1,888,965	43,676	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	122,064	12,626	-	58,534	5,129	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	750,859	710	-	469	-	-	-	-	13,113
126.1	Allowance for Doubtful Accounts - Tenants	(663,418)	(5,353)	-	(16,828)	(3,404)	-	-	-	(8,655)
126.2	Allowance for Doubtful Accounts - Other	(122,238)	-	-	-	-	-	-	-	-
127	Notes, Loans, and Mortgages, Current	177,826	22,530	-	19,563	6,147	-	-	-	3,701
128	Fraud Recovery	-	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-
120	Total Receivables, Net Allowance for Doubtful Accounts	265,093	30,513	1,888,965	105,414	7,872	55,344	-	-	8,159
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	248,454	-	258,456	-	-	-	-	-	603
144	Interprogram Due From	4,376,552	-	10,605	-	-	26,083	21,619	-	270,164
150	Total Current Assets	7,269,966	32,708	2,592,577	156,846	36,571	83,749	23,804	27,157	290,074

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	NONCURRENT ASSETS									
	Fixed Assets:									
161	Land	$ 6,127,672	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,548
162	Buildings	145,899,967	-	-	-	-	-	-	-	27,882
163	Furniture, Equipment, and Machinery - Dwelling	3,698,996	-	-	-	-	-	-	-	-
164	Furniture, Equipment, and Machinery - Administration	3,408,048	-	-	-	-	-	-	-	-
165	Leasehold Improvements	3,752,267	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(126,038,978)	-	-	-	-	-	-	-	(13,180)
167	Construction in Progress	3,248,089	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	40,096,061	-	-	-	-	-	-	-	17,250
171	Notes, Loans, and Mortgage Receivable - Noncurrent	5,986,673	-	-	-	-	-	-	-	-
174	Other Assets	3,633,351	-	-	-	-	-	-	-	-
176	Investment in Joint Ventures	-	-	-	-	-	-	-	-	-
180	Total Noncurrent Assets	49,716,085	-	-	-	-	-	-	-	17,250
290	Total Assets	$ 57,153,585	$ 32,708	$ 2,592,577	$ 156,846	$ 36,571	$ 83,749	$ 23,804	$ 27,157	$ 307,324
200	Deferred Outflow of Resources	167,534	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	CURRENT ASSETS								
111	Cash - Unrestricted	$ 722,157	$ 942,546	$ 157,220	$ 460,552	$ 256,649	$ 3,736,431	$ -	$ 3,736,431
112	Cash - Restricted Moderation/Development	1,265,364	-	-	-	24,746	2,086,140	-	2,086,140
113	Cash - Other Restricted	396,530	700,693	-	736	-	1,136,468	-	1,136,468
114	Cash - Tenant Security Deposits	106,574	-	-	-	-	639,556	-	639,556
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	374,728	-	374,728
100	Total Cash	2,490,625	1,643,239	157,220	461,288	281,395	7,973,323	-	7,973,323
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	55,344	-	55,344
124	Accounts Receivable - Other Government	-	-	-	-	-	1,932,641	-	1,932,641
125	Accounts Receivable - Miscellaneous	88,922	944,961	54,513	22,272	490,230	1,799,251	-	1,799,251
126	Accounts Receivable - Tenants - Dwelling Rents	86,747	310,968	5,103	5,560	(975)	1,172,554	-	1,172,554
126.1	Allowance for Doubtful Accounts - Tenants	(47,356)	(310,968)	(58,844)	(12,159)	(994)	(1,127,979)	-	(1,127,979)
126.2	Allowance for Doubtful Accounts - Other	(46,192)	(1,214,662)	-	-	(487,700)	(1,870,792)	-	(1,870,792)
127	Notes, Loans, and Mortgages, Current	2,105,057	358,647	55,482	-	-	2,748,953	(2,058,739)	690,214
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-
120	Total Receivables, Net Allowance for Doubtful Accounts	2,187,178	88,946	56,254	15,673	561	4,709,972	(2,058,739)	2,651,233
131	Investments - Unrestricted	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	6,981	73,311	-	-	62,726	650,531	-	650,531
144	Interprogram Due From	2,167,181	2,581,470	-	423,338	7,782,206	17,659,218	(17,659,218)	-
150	Total Current Assets	6,851,965	4,386,966	213,474	900,299	8,126,888	30,993,044	(19,717,957)	11,275,087

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
NONCURRENT ASSETS								
Fixed Assets:								
Land	$ 2,144,379	$ 14,389	$ -	$ -	$ 10,156	$ 8,299,144	$ -	$ 8,299,144
Buildings	40,167,134	328,203	-	-	3,117,626	189,540,812	-	189,540,812
Furniture, Equipment, and Machinery - Dwelling	912,604	-	-	-	6,572	4,618,172	-	4,618,172
Furniture, Equipment, and Machinery - Administration	381,229	103,848	-	-	402,755	4,295,880	-	4,295,880
Leasehold Improvements	1,388,174	-	-	-	26,446	5,166,887	-	5,166,887
Accumulated Depreciation	(29,836,412)	(362,404)	-	-	(1,146,680)	(157,397,654)	-	(157,397,654)
Construction in Progress	144,658	-	-	-	61,356	3,454,103	-	3,454,103
Total Capital Assets, Net of Accumulated Depreciation	15,301,766	84,036	-	-	2,478,231	57,977,344	-	57,977,344
Notes, Loans, and Mortgage Receivable - Noncurrent	944,000	-	-	-	-	6,930,673	(6,580,673)	350,000
Other Assets	1,842	-	-	-	-	3,635,193	-	3,635,193
Investment in Joint Ventures	2,296,065	-	-	-	-	2,296,065	(2,296,065)	-
Total Noncurrent Assets	18,543,673	84,036	-	-	2,478,231	70,839,275	(8,876,738)	61,962,537
Total Assets	$ 25,428,175	$ 4,471,002	$ 213,474	$ 900,299	$ 10,605,119	$ 102,032,390	$ (28,594,695)	$ 73,437,695
Deferred Outflow of Resources	32,537	-	-	-	-	200,071	-	200,071

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	CURRENT LIABILITIES									
312	Accounts Payable Less Than or Equal to 90 Days	$ 459,143	$ 1,099	$ 222,414	$ 503	$ -	$ -	$ -	$ -	$ 4,043
321	Accrued Wage/Payroll Taxes Payable	124,325	-	14,859	-	-	7,532	3,123	-	2,075
322	Accrued Compensated Absences - Current Portion	103,045	-	7,065	-	-	46,572	3,159	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-
330	Accounts Payable HUD	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	553,963	-	-	-	-	-	-	-	12,843
342	Unearned Revenues	193,851	-	-	-	-	-	-	-	5,664
343	Current Portion Long-Term Debt - Capital Projects	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	319,848	-	-	-	-	167	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-
347	Interprogram Due To	5,514,591	49,449	2,471,108	37,628	-	311,408	231,682	27,898	324,829
310	Total Current Liabilities	7,268,766	50,548	2,715,446	38,131	-	365,679	237,964	27,898	349,454
	NONCURRENT LIABILITIES									
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	-	-
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	43,002	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Noncurrent	140,551	-	13,709	-	-	-	7,266	-	623
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	183,553	-	13,709	-	-	-	7,266	-	623
300	Total Liabilities	7,452,319	50,548	2,729,155	38,131	-	365,679	245,230	27,898	350,077
400	**DEFERRED INFLOWS OF RESOURCES**	3,324,391	-	-	-	-	-	-	-	-
	EQUITY/NET POSITION									
508.4	Invested in Capital Assets, Net of Related Debt	40,096,061	-	-	-	-	-	-	-	17,250
511.4	Restricted	1,134,136	-	-	-	-	-	-	-	-
512.4	Unrestricted	5,146,678	(17,840)	(136,578)	118,715	36,571	(281,930)	(221,426)	(741)	(60,003)
513	Total Equity/Net Position	46,376,875	(17,840)	(136,578)	118,715	36,571	(281,930)	(221,426)	(741)	(42,753)
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 57,153,585	$ 32,708	$ 2,592,577	$ 156,846	$ 36,571	$ 83,749	$ 23,804	$ 27,157	$ 307,324

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	CURRENT LIABILITIES								
312	Accounts Payable Less Than or Equal to 90 Days	$ 48,616	$ 43,396	$ -	$ 216	$ 43,765	$ 823,195	$ -	$ 823,195
321	Accrued Wage/Payroll Taxes Payable	14,130	58,368	-	-	127,550	351,962	-	351,962
322	Accrued Compensated Absences - Current Portion	3,113	32,876	-	-	130,528	326,358	-	326,358
325	Accrued Interest Payable	-	-	-	-	-	-	-	-
330	Accounts Payable HUD	-	-	156,096	233,817	-	389,913	-	389,913
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	110,858	13,414	-	736	307	692,121	-	692,121
342	Unearned Revenues	31,459	631,775	-	-	2,080	864,829	-	864,829
343	Current Portion Long-Term Debt - Capital Projects	-	-	-	-	53,203	53,203	-	53,203
345	Other Current Liabilities	29,370	435	-	-	-	349,820	-	349,820
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-
347	Interprogram Due To	4,529,765	3,158,453	7,963	11,435	983,009	17,659,218	(17,659,218)	-
310	Total Current Liabilities	4,767,311	3,938,717	164,059	246,204	1,340,442	21,510,619	(17,659,218)	3,851,401
	NONCURRENT LIABILITIES								
351	Long-Term Debt, Net of Current - Capital Projects	9,441,413	-	-	-	1,385,861	10,827,274	(8,639,412)	2,187,862
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	18,841	587,599	-	-	-	649,442	-	649,442
354	Accrued Compensated Absences - Noncurrent	21,418	92,912	-	-	239,597	516,076	-	516,076
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	9,481,672	680,511	-	-	1,625,458	11,992,792	(8,639,412)	3,353,380
300	Total Liabilities	14,248,983	4,619,228	164,059	246,204	2,965,900	33,503,411	(26,298,630)	7,204,781
400	**DEFERRED INFLOWS OF RESOURCES**	-	-	-	-	-	3,324,391	-	3,324,391
	EQUITY/NET POSITION								
508.4	Invested in Capital Assets, Net of Related Debt	5,860,353	84,036	-	-	1,039,167	47,096,867	(8,639,412)	38,457,455
511.4	Restricted	1,657,610	-	-	-	24,439	2,816,185	-	2,816,185
512.4	Unrestricted	3,661,229	(232,262)	49,415	654,095	6,575,613	15,291,536	6,343,347	21,634,883
513	Total Equity/Net Position	11,179,192	(148,226)	49,415	654,095	7,639,219	65,204,588	(2,296,065)	62,908,523
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 25,428,175	$ 4,471,002	$ 213,474	$ 900,299	$ 10,605,119	$ 102,032,390	$ (28,594,695)	$ 73,437,695

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	REVENUE									
	Tenant Revenue:									
70300	Net Tenant Rental Revenue	$ 6,738,849	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 209,027
70400	Tenant Revenue - Other	467,682	-	-	-	-	-	-	-	13,784
70500	Total Tenant Revenue	7,206,531	-	-	-	-	-	-	-	222,811
70600	HUD PHA Operating Grants	12,864,165	899,053	-	-	-	366,603	-	-	-
70610	Capital Grants	5,070,728	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	2,414,900	149,710	-	-	-	-	-
71100	Investment Income - Unrestricted	99,180	-	-	-	-	-	-	-	-
71200	Mortgage Interest Income	4,773	-	-	-	-	-	-	-	-
71400	Fraud Recovery	8,334	-	-	-	-	-	-	-	50
71500	Other Revenue	820,110	-	-	14,971	-	-	-	-	17,316
71600	Gain (Loss) on Sale of Capital Assets	(3,217,924)	-	-	-	-	-	-	-	-
72000	Investment - Income - Restricted	-	-	-	-	-	-	-	-	-
70000	Total Revenue	22,855,897	899,053	2,414,900	164,681	-	366,603	-	-	240,177
	EXPENSES									
	Operating - Administrative:									
91100	Administrative Salaries	1,219,454	22,197	752,508	-	-	342,047	146,149	-	15,261
91200	Auditing Fees	481	-	-	-	-	-	-	-	6,190
91300	Management Fee	2,158,371	9,188	-	-	-	-	-	-	-
91310	Bookkeeping Fee	172,698	5,743	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	398,453	7,646	192,540	-	-	128,315	50,377	-	5,124
91600	Office Expenses	358,441	5,819	(254,584)	-	-	76,376	7,107	-	3,612
91700	Legal Expense	306,748	-	-	-	-	-	-	-	769
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	97,059	-	-	-	-	-	-	-	1,396
91000	Total Operating - Administrative	4,711,705	50,593	690,464	-	-	546,738	203,633	-	32,352
	Tenant Services:									
92100	Tenant Services - Salaries	160,456	-	-	-	-	-	-	-	-
92200	Relocation Costs	28,165	-	479,674	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	29,573	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	2,099,952	32	233,900	-	-	-	-	-	42,149
92500	Total Tenant Services	2,318,146	32	713,574	-	-	-	-	-	42,149

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	EXPENSES (CONTINUED)									
	Utilities:									
93100	Water	$ 292,975	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,060
93200	Electricity	1,584,386	-	-	-	-	-	-	-	8,344
93300	Gas	422,803	-	-	-	-	-	-	-	6,141
93600	Sewer	395,417	-	-	-	-	-	-	-	12,079
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
93000	Total Utilities	2,695,581	-	-	-	-	-	-	-	33,624
	Ordinary Maintenance and Operations:									
94100	Ordinary Maintenance and Operations - Labor	2,671,179	3,334	-	-	-	-	-	-	47,054
94200	Ordinary Maintenance and Operations - Materials and Other	1,251,879	25	-	-	-	-	-	-	15,741
94300	Ordinary Maintenance and Operations - Contracts	4,830,793	139	700,859	-	-	-	-	-	52,325
94500	Employee Benefit Contributions - Ordinary Maintenance	914,784	1,152	-	-	-	-	-	-	17,361
94000	Total Ordinary Maintenance and Operations	9,668,635	4,650	700,859	-	-	-	-	-	132,481
	Protective Services:									
95100	Protective Services - Labor	172,255	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	671,300	-	-	-	-	-	-	-	6,096
95300	Protective Services - Other	357,123	-	-	-	-	-	-	-	10,387
95500	Protective Services - Employee Contributions	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	1,200,678	-	-	-	-	-	-	-	16,483
	Insurance Premiums:									
96110	Property Insurance	754,916	-	-	-	-	-	-	-	17,508
96120	Liability Insurance	315,037	161	-	-	-	-	-	-	3,518
96130	Workers' Compensation	88,403	544	10,019	-	-	7,681	3,307	-	1,401
96140	All Other Insurance	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	1,158,356	705	10,019	-	-	7,681	3,307	-	22,427
	Other General Expenses:									
96200	Other General Expenses	66,660	-	-	-	-	-	-	-	-
96210	Compensated Absences	56,525	-	6,638	-	-	17,910	3,159	-	(745)
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	777,354	114	-	171	-	-	-	-	1,180
96500	Bad Debt - Mortgages	29,761	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	930,300	114	6,638	171	-	17,910	3,159	-	435

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	EXPENSES (CONTINUED)									
	Interest Expense and Amortization Cost:									
96710	Interest of Mortgage (or Bonds) Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
96720	Interest on Notes Payable (Short- and Long-Term)	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Costs	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	22,683,401	56,094	2,121,554	171	-	572,329	210,099	-	279,951
97000	**EXCESS REVENUE OVER OPERATING EXPENSES**	172,496	842,959	293,346	164,510	-	(205,726)	(210,099)	-	(39,774)
97200	Casualty Losses - Noncapitalized	153,532	-	-	-	-	-	-	-	135
97300	Housing Assistance Payments	574,542	945,702		150,135	-	-	-	-	-
97650	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	7,249,805	-	-	-	-	-	-	-	734
97500	Fraud Losses	-	-	-	-	-	-	-	-	-
90000	Total Expenses	30,661,280	1,001,796	2,121,554	150,306	-	572,329	210,099	-	280,820
	OTHER FINANCING SOURCES (USES)									
10010	Operating Transfers In	2,597,193	-	-	-	-	-	-	-	-
10020	Operating Transfers Out	(2,532,785)	-	-	-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	1,163,638	-	-	-	-	-	-	-	-
10092	Inter AMP Excess Cash Transfer Out	(1,163,638)	-	-	-	-	-	-	-	-
10093	Transfer from AMP to Program	-	-	-	-	-	-	-	-	-
10094	Transfer from AMP to Program	(21,060)	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	43,348	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES**	(7,762,035)	(102,743)	293,346	14,375	-	(205,726)	(210,099)	-	(40,643)
	Memo Account Information:									
11010	Capital Outlays - Enterprise Funds	46,539	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-
11030	Equity - Beginning of Year	54,366,512	85,387	(430,084)	104,471	36,571	(76,438)	(12,845)	(439)	659,038
11040	Equity Transfers and Prior Period Adjustments	(227,602)	(484)	160	(131)	-	234	1,518	(302)	(661,148)
	NET POSITION - END OF YEAR	$ 46,376,875	$ (17,840)	$ (136,578)	$ 118,715	$ 36,571	$ (281,930)	$ (221,426)	$ (741)	$ (42,753)
11190	Unit Months Available	27,324	1,184	-	752	-	-	-	-	610
11210	Number of Unit Months Leased	24,728	1,051	-	752	-	-	-	-	474

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	REVENUE								
	Tenant Revenue:								
70300	Net Tenant Rental Revenue	$ 960,806	$ -	$ -	$ -	$ 228	$ 7,908,910	$ -	$ 7,908,910
70400	Tenant Revenue - Other	27,895	-	-	-	44,398	553,759	-	553,759
70500	Total Tenant Revenue	988,701	-	-	-	44,626	8,462,669	-	8,462,669
70600	HUD PHA Operating Grants	-	50,762,341	81,798	892,496	-	65,866,456	-	65,866,456
70610	Capital Grants	64,410	-	-	-	-	5,135,138	-	5,135,138
70710	Management Fee	-	-	-	-	2,896,353	2,896,353	(2,896,353)	-
70730	Bookkeeping Fee	-	-	-	-	567,180	567,180	(567,180)	-
70740	Front Line Service Fee	-	-	-	-	2,513,567	2,513,567	(2,513,567)	-
70750	Other Fees	-	20,455	-	-	98,635	119,090	(119,090)	-
70800	Other Government Grants	574,542	-	-	-	-	3,139,152	(574,542)	2,564,610
71100	Investment Income - Unrestricted	17,328	-	-	-	373	116,881	-	116,881
71200	Mortgage Interest Income	7,909	-	-	-	-	12,682	-	12,682
71400	Fraud Recovery	275	150	-	-	-	8,809	-	8,809
71500	Other Revenue	4,920,082	-	277	-	784,585	6,557,341	(3,098,250)	3,459,091
71600	Gain (Loss) on Sale of Capital Assets	31,911	-	-	-	-	(3,186,013)	3,098,250	(87,763)
72000	Investment - Income - Restricted	-	-	-	-	-	-	-	-
70000	Total Revenue	6,605,158	50,782,946	82,075	892,496	6,905,319	92,209,305	(6,670,732)	85,538,573
	EXPENSES								
	Operating - Administrative:								
91100	Administrative Salaries	151,399	1,356,601	3,042	29,753	3,546,407	7,584,818	-	7,584,818
91200	Auditing Fees	5,608	-	-	-	194,149	206,428	-	206,428
91300	Management Fee	139,273	567,317	2,862	19,342	-	2,896,353	(2,896,353)	-
91310	Bookkeeping Fee	24,361	354,573	1,788	8,017	-	567,180	(567,180)	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	36,323	486,914	1,213	10,671	1,316,852	2,634,428	-	2,634,428
91600	Office Expenses	100,629	373,327	891	6,892	996,396	1,674,906	-	1,674,906
91700	Legal Expense	31,135	-	-	-	225,821	564,473	-	564,473
91800	Travel	-	-	-	-	-	-	-	-
91900	Other	12,225	23,000	17,198	-	-	150,878	(98,635)	52,243
91000	Total Operating - Administrative	500,953	3,161,732	26,994	74,675	6,279,625	16,279,464	(3,562,168)	12,717,296
	Tenant Services:								
92100	Tenant Services - Salaries	42,994	-	-	-	14	203,464	-	203,464
92200	Relocation Costs	6,682	-	-	-	226	514,747	-	514,747
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	29,573	-	29,573
92400	Tenant Services - Other	166,326	2,222	19	9	41,469	2,586,078	(2,268,803)	317,275
92500	Total Tenant Services	216,002	2,222	19	9	41,709	3,333,862	(2,268,803)	1,065,059

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	EXPENSES (CONTINUED)								
	Utilities:								
93100	Water	$ 38,576	$ -	$ -	$ -	$ 3,001	$ 341,612	$ -	$ 341,612
93200	Electricity	50,606	-	-	-	53,822	1,697,158	-	1,697,158
93300	Gas	10,746	-	-	-	972	440,662	-	440,662
93600	Sewer	53,711	-	-	-	2,920	464,127	-	464,127
93800	Other Utilities Expense	-	-	-	-	-	-	-	-
93000	Total Utilities	153,639	-	-	-	60,715	2,943,559	-	2,943,559
	Ordinary Maintenance and Operations:								
94100	Ordinary Maintenance and Operations - Labor	366,009	221,379	439	4,303	5,308	3,319,005	-	3,319,005
	Ordinary Maintenance and Operations -								
94200	Materials and Other	128,859	1,465	9	63	9,193	1,407,234	-	1,407,234
94300	Ordinary Maintenance and Operations - Contracts	433,285	9,478	12	109	93,458	6,120,458	(20,455)	6,100,003
	Employee Benefit Contributions -						-		
94500	Ordinary Maintenance	130,063	82,339	208	1,654	2,288	1,149,849	-	1,149,849
94000	Total Ordinary Maintenance and Operations	1,058,216	314,661	668	6,129	110,247	11,996,546	(20,455)	11,976,091
	Protective Services:						-	-	-
95100	Protective Services - Labor	72,509	-	-	-	138,127	382,891	(244,764)	138,127
95200	Protective Services - Other Contract Costs	140,806	-	-	-	8,359	826,561	-	826,561
95300	Protective Services - Other	35,304	-	-	-	7,789	410,603	-	410,603
95500	Protective Services - Employee Contributions	-	-	-	-	20,966	20,966	-	20,966
95000	Total Protective Services	248,619	-	-	-	175,241	1,641,021	(244,764)	1,396,257
	Insurance Premiums:								
96110	Property Insurance	167,255	-	-	-	29,230	968,909	-	968,909
96120	Liability Insurance	48,916	12,389	15	168	82,669	462,873	-	462,873
96130	Workers' Compensation	12,184	35,425	60	722	88,409	248,155	-	248,155
96140	All Other Insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	228,355	47,814	75	890	200,308	1,679,937	-	1,679,937
	Other General Expenses:								
96200	Other General Expenses	37,732	-	-	123,790	-	228,182	-	228,182
96210	Compensated Absences	2,325	32,876	-	-	111,659	230,347	-	230,347
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	47,483	5,279	-	641	2,080	834,302	-	834,302
96500	Bad Debt - Mortgages	-	-	-	-	-	29,761	-	29,761
96600	Bad Debt - Other	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	87,540	38,155	-	124,431	113,739	1,322,592	-	1,322,592

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	EXPENSES (CONTINUED)								
	Interest Expense and Amortization Cost:								
96710	Interest of Mortgage (or Bonds) Payable	$ -	$ -	$ -	$ -	$ 70,046	$ 70,046	$ -	$ 70,046
96720	Interest on Notes Payable (Short- and Long-Term)	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Costs	-	-	-	-	70,046	70,046	-	70,046
96900	Total Operating Expenses	2,493,324	3,564,584	27,756	206,134	7,051,630	39,267,027	(6,096,190)	33,170,837
97000	**EXCESS REVENUE OVER OPERATING EXPENSES**	4,111,834	47,218,362	54,319	686,362	(146,311)	52,942,278	(574,542)	52,367,736
97100	Casualty Losses - Noncapitalized	-	-	-	-	6,000	159,667	-	159,667
97300	Housing Assistance Payments	-	47,184,806	70,525	857,293	-	49,783,003	(574,542)	49,208,461
97650	HAP Portability - In	-	-	-	-	-	-	-	-
97400	Depreciation Expense	1,116,300	11,934	-	-	149,349	8,528,122	-	8,528,122
97500	Fraud Losses	-	-	-	-	-	-	-	-
90000	Total Expenses	3,609,624	50,761,324	98,281	1,063,427	7,206,979	97,737,819	(6,670,732)	91,067,087
	OTHER FINANCING SOURCES (USES)								
10010	Operating Transfers In	-	-	-	-	-	2,597,193	(2,597,193)	-
10020	Operating Transfers Out	(64,408)	-	-	-	-	(2,597,193)	2,597,193	-
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	1,163,638	(1,163,638)	-
10092	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	(1,163,638)	1,163,638	-
10093	Transfer from AMP to Program	-	-	-	-	21,060	21,060	(21,060)	-
10094	Transfer from AMP to Program	-	-	-	-	-	(21,060)	21,060	-
10100	Total Other Financing Sources (Uses)	(64,408)	-	-	-	21,060	-	-	-
10000	**EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES**	2,931,126	21,622	(16,206)	(170,931)	(280,600)	(5,528,514)	-	(5,528,514)
	Memo Account Information:								
11010	Capital Outlays - Enterprise Funds	-	-	-	-	-	46,539	-	46,539
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-
11030	Equity - Beginning of Year	7,596,612	(141,693)	65,685	825,876	7,654,449	70,733,102	(2,296,065)	68,437,037
11040	Equity Transfers and Prior Period Adjustments	651,454	(28,155)	(64)	(850)	265,370	-	-	-
	NET POSITION - END OF YEAR	$ 11,179,192	$ (148,226)	$ 49,415	$ 654,095	$ 7,639,219	$ 111,581,463	$ (2,296,065)	$ 62,908,523
11190	Unit Months Available	960	56,396	328	1,391	-	88,945	-	88,945
11210	Number of Unit Months Leased	718	49,233	267	1,069	-	78,292	-	78,292

Omaha Housing Authority
1823 Harney Street ~ Omaha, NE 68102 ~ 402.444.6900 ~ www.ohauthority.org

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2025

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following corrective action plan for the year ended December 31, 2025.

Audit period: January 1, 2025 – December 31, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2025-001 Financial Reporting

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will evaluate and enhance its financial reporting process, including reconciliation and monthly/year-end close procedures, to strengthen controls over timely and accurate financial reporting. Management will also evaluate staffing and accounting responsibilities to help ensure transactions are recorded accurately and financial statements are prepared in accordance with U.S. GAAP.

Name of the contact person responsible for corrective action: Ashley Hatheway, CFO
Planned completion date for corrective action plan: December 31, 2026

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2025-002 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 - Eligibility
Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will review and revise eligibility determination procedures to ensure compliance with HUD requirements and will provide staff training on required documentation and verification protocols. The Authority will also perform a file review to identify and correct documentation deficiencies and update its Administrative Plan as needed to reflect current eligibility screening procedures.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-003 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – PIC Submissions

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will designate an individual responsible for monitoring HUD-50058 submissions and ensuring information is entered into the PIC system accurately and within required timeframes. Management will review the submission process and implement follow-up procedures to reduce the risk of untimely or unsupported PIC submissions.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-004 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – Annual HQS Inspections

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update it's Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will implement monitoring controls to ensure units are inspected annually in accordance with HUD requirements and the Authority's administrative policy. Management will evaluate internal inspection capacity and consider the use of an outside firm if additional resources are needed to complete required inspections timely.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Ashley Hatheway at 402-444-6900.

Omaha Housing Authority

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HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2024

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2025.

Audit period: January 1, 2025 through December 31, 2025

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2024 – 001 Financial Reporting

Condition: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

2 CFR part 200.303 require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Internal Control Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission, provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

There were multiple adjusting journal entries, corrections of errors and prior period adjustments needed to properly state the Authority's financial account balances.

The Authority does not have a policy in place to provide reasonable assurance that the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the Authority's internal controls.

Status: See current year finding 2025-001.

Reason for finding's recurrence: *The finding recurred because the Authority had not fully established and implemented sufficient internal controls over the financial reporting process to ensure timely and accurate recording of financial transactions and preparation of financial information.*

Corrective Action: *The Authority will continue to evaluate and improve its financial reporting processes and controls, including reconciliation and monthly/year-end close procedures, and assess staffing assigned to accounting functions to support accurate and timely financial reporting to HUD and users of the financial statements.*

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2024 – 002 HCV Eligibility

Condition: Out of 40 tenant files tested for eligibility, 11 tenant files contained errors or were missing required documentation.

Status: See current year finding 2025-002.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently follow internal controls designed to ensure compliance with HUD eligibility requirements, including maintaining required forms and completing recertifications timely.*

Corrective Action: *The Authority will review and revise eligibility determination procedures, train staff on documentation and verification protocols, perform file review procedures to identify and correct deficiencies, and update its Administrative Plan as needed to support compliance with HUD requirements.*

2024 – 003 PIC Reporting

Condition: Out of 40 HUD-50058's tested for PIC submissions, 14 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Status: See current year finding 2025-003.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently submit accurate HUD-50058/PIC information within the required timeframe.*

Corrective Action: *The Authority will designate an individual to monitor PIC submissions and help ensure required information is entered accurately and timely.*

2024 – 004 Rent Reasonableness

Condition: Out of 25 tenant files tested for rent reasonableness, 2 tenant files contained exceptions.

Status: This finding was cleared in the current year.

2024 – 005 HCV HQS Inspection

Condition: Out of 40 tenant files tested for annual HQS inspections, 6 tenant files contained exceptions.

Status: See current year finding 2025-004.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently follow its administrative policy requiring units to be inspected on an annual basis.*

Corrective Action: *The Authority will implement controls to ensure annual HQS inspections are completed timely and will consider using an outside firm if internal capacity is not sufficient.*

If the U.S. Department of Housing and Urban Development has questions regarding this schedule, please call Ashley Hatheway at 402-444-6900.

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

We have audited the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and have issued our report thereon dated August 10, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated January 20, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

The Authority changed accounting policies related to Certain Risk Disclosures by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 102, *Certain Risk Disclosures.* Accordingly, the adoption of these statements resulted in changes to the footnote disclosure regarding risk.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- Material Weakness Over Financial Reporting – there were numerous adjusting journal entries recorded to reasonably state the Authority's financial statements. See finding 2025-001.

We have provided a separate communication to you dated [Date], communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 10, 2026.

With respect to the Financial Data Schedules (FDS) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 10, 2026.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Omaha Housing Authority
Business-Type Activities
Year Ended December 31, 2025

Description	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Net Position	Change in Net Position
Describe all current year misstatements below.	Debits/Credits - Amounts should be entered as debits (positive amounts) or credits (negative amounts). For example, increases to assets as debits, increases to liabilities as credits, decreases to net income as debits, and increases to net income as credits. Collapse this row (to the left) to print for attachment to management representation letter.					
Invoice paid in January 2026 that related to fiscal year ended December 31, 2025 that was not properly accrued in fiscal year 2025.	-	-	(136,748)	-	136,748	136,748
The capital asset rollforward provided by the client did not reconcile to the trial balance. The client rollforward balance was higher than what was recorded in the trial balance. This is indicative that the capital assets per the trial balance could be understated.	178,861	-	-	-	(178,861)	(178,861)
Spencer property was taken off the books in FY25 when it should have been disposed of during the CNI transaction years prior.	-	-	-	-	-	(618,487)
The gain/loss recorded regarding the transfer of AMPs Pine Tower and SCNE to Component Units River City Pine Tower and River City SCNE did not agree, causing an overstatement in gain/loss.	(284,283)	-	-	-	284,283	284,283
Prior year activity related to capital assets was improperly recorded, resulting in an overstatement of assets in the prior year. Amounts were run through In the current year as an expense.	-	-	-	-	(431,609)	(431,609)
Amounts disbursed subsequent to year-end that should have been accrued in accounts payable as of 12/31/25.	-	-	(701,138)	-	701,138	701,138
Interest earned on federal deposits that will be due back to the federal government has not been reflected as a liability in the trial balance.	-	-	(116,881)	-	116,881	116,881
Reconciliation difference for capital fund program grant revenue between eLOCCs draw reports and the trial balance. The trial balance was higher than the eLOCCs draws reconciliation.	-	-	-	-	72,056	72,056

Aged outstanding checks dating back to 2014 represent a potential understatement of cash. It is Nebraska state policy to report to unclaimed property after a year outstanding.	530,775	-	-	-	(530,775)	-
Potential overstatement of capital fund revenue due to revenue reconciliation not agreeing to the trial balance/	-	-	-	-	72,056	72,056
Invoices that should have been capitalized but were expensed.	216,308	-	-	-	(216,308)	(216,308)
CNI grant fund has ending net position when it is a reimbursable grant where revenues should match expenses.	-	-	-	-	(136,578)	(136,578)
CNIS grant funds were reconciled in the current year to ensure the fund had 0 in ending net position. This resulted in a write-off of prior year net position for CNIS (revenue is overstated)	-	-	-	-	-	307,278
Deferred Outflows of resources recorded for leases that do not exist.	(200,071)				200,071	200,071
Potential overstatement of current year expenses due to a prior period adjustment being ran through the fiscal year under audit.	-	-	-	-	102,136	102,136
Subtotals	441,590	-	(954,767)	-	191,238	410,804
Income tax effect (if applicable)						
Net current year misstatements (Iron Curtain Method)	441,590	-	(954,767)	-	191,238	410,804
Effect of prior year uncorrected misstatements on the change in fund balance/net position	-	-	312,475		(320,666)	(320,666)
Combined current and prior year misstatements (Rollover Method)	$ 441,590	$ -	$ (642,292)	$ -	$ (129,429)	$ 90,138
Financial statement totals	73,218,861	200,071	$ (7,186,018)	$ (3,324,391)	$ (62,908,523)	5,528,514
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	1%		13%		0%	7%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	1%		9%		0%	2%

OMISSION OF A DISCLOSURE, INCLUDING INADEQUATE OR INCOMPLETE DISCLOSURES, OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Guidance

Description	Amount (If Applicable)

Deferred outflows of resources are missing required disclosures and descriptions in the financial statement line item.	$ 200,071

Omaha Housing Authority

1823 Harney Street ~ Omaha, NE 68102 ~ 402.444.6900 ~ www.ohauthority.org

August 10, 2026
CliftonLarsonAllen LLP
801 Grand Ave Suite 3900
Des Moines, IA 50309

This representation letter is provided in connection with your audit of the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority), which comprises the financial position of the business-type activities as of December 31, 2025, and the changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of August 10, 2026, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2025.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 20, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the Authority's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

12. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.

13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

14. Agreements to repurchase assets previously sold have been properly disclosed.

15. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, Leases.

16. We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, Conduit Debt Obligations.

17. We have appropriately identified, recorded, and disclosed all subscription-based information technology arrangements in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Per our evaluation, we believe all SBITAs are immaterial and no entry was deemed necessary.

18. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

19. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

20. We believe that all material expenditures that have been deferred to future periods will be recoverable.

21. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, Compensated Absences.

22. We have appropriately identified and disclosed concentrations or constraints that exist in accordance with the requirements of GASB Statement No. 102, Certain Risk Disclosures.

Information Provided

1. We have provided you with:

a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.

f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.

g. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

a. Management;

b. Employees who have significant roles in internal control; or

c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We have taken timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse that you have reported to us.

12. We have a process to track the status of audit findings and recommendations.

13. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
14. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
15. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Authority, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
16. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
17. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
18. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
21. The financial statements properly classify all funds and activities.
22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
23. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
24. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

31. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

32. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

33. We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards and Financial Data Schedules (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

1. In regards to the nonattest services (drafting the financial statements, assisting with GASB implementation, providing adjusting journal entries, preparing the Data Collection Form and preparing the FDS REAC submission) performed by you, we have:

a. Made all management judgments and decisions and assumed all management responsibilities.

b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.

c. Evaluated the adequacy and results of the services performed.

d. Accepted responsibility for the results of the services.

e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

2. With respect to federal award programs:

a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.

b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period (or, if they have changed, the reasons for such change), and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We acknowledge our responsibility for taking reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information.

h. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

i. We have received no requests from a federal agency to audit one or more specific programs as a major program.

j. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

k. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.

m. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

n. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

o. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

p. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

q. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.

r. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.

s. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

t. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

u. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

v. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

w. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

x. We have charged costs to federal awards in accordance with applicable cost principles.

y. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

z. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

aa. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

bb. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

cc. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: Ashley Hatheway Title: CFO

Client: ***B131248 - Omaha Housing Authority***
Engagement: ***AUD25 - Housing Authority of the City of Omaha***
Period Ending: ***12/31/2025***
Trial Balance: ***0900.00 - Trial Balance***
Workpaper: ***0921.00 - Adjusting Journal Entry Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 2		**0924.00**		
PBC - Trish reclass for FDS purposes				
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		64,410.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			64,410.00
Total			**64,410.00**	**64,410.00**
Adjusting Journal Entries JE # 3		**0924.00**		
CLA made AJE on 5/20/26 to balance interfund. Adjusted through COCC.				
1cocc-144-0000	INTERFUND BALANCE		78,635.00	
1cocc-999-1000	PRIOR PERIOD ADJUSTMENT			78,635.00
Total			**78,635.00**	**78,635.00**
Adjusting Journal Entries JE # 5		**0924.00**		
CLA made RJE on 5/20/26 to reclass unnatural account balances for FDS reporting purposes.				
4home-916-1015	MISCELLANEOUS EXPENSE		91.00	
4rchc-922-0100	RELOCATION - INITIAL PAYMENT		60.00	
4rchc-922-0300	RELOCATION - MOVING EXPENSE		34.00	
6cnis-144-3000	INTER-FUND DUE FROM {COCC}		11,928.00	
6cnis-312-2100	ACCRUED FRONT-LINE FEES		434.00	
6cnp-144-3021	INTER-FUND DUE FROM {CNP GRANT}		10,936.00	
6fss25-142-0200	PREPAID MED FSA SEC 125		167.00	
8ehv-144-3012	INTER-FUND DUE FROM {HCV ADM}		422,390.00	
8ehv-347-1000	INTER-FUND DUE TO {COCC}		261.00	
8mr4-342-0010	Deferred Revenue - HUD Funds		139,578.00	
8mr4-919-0199	Other Misc Expense		14,721.00	
8mr4admn-919-0199	Other Misc Expense		6,208.00	
9ec-972-0200	CASUALTY LOSS CONTRACTS		281.00	
ct-125-0000	A/R OTHER		2,050.00	
ct-174-0300	LEASES RECEIVABLE		1,027.00	
ev-174-0300	LEASES RECEIVABLE		125,812.00	
ev-200-0100	DEFERRED OUTFLOW OF RESOURCES - CLA ADDED		167,534.00	
fl-130-0100	ST LEASE RECEIVABLE		27.00	
parkvill-114-0000	CASH - SECURITY DEPOSIT		236.00	
parkvill-964-0000	BAD DEBT EXPENSE		4,768.00	
pk-144-0001	INTER-FUND DUE FROM {PK/Parkvill Fixed Asset Transfer}		1,626,803.00	
pk-144-3000	INTER-FUND DUE FROM {COCC}		23,458.00	
pk-144-3017	INTER-FUND DUE FROM {PUB HSG}		174.00	
ps-704-0500	OTHER TENANT REVENUE		1,447.00	
pt-130-0100	ST LEASE RECEIVABLE		3,247.00	
rcpt-174-0300	LEASES RECEIVABLE		32,617.00	
rcpt-200-0100	DEFERRED OUTFLOW OF RESOURCES - CLA ADDED		32,537.00	
rcpt-345-0000	OTHER CURRENT LIABILITIES		3,247.00	
sckc-916-1015	MISCELLANEOUS EXPENSE		893.00	
scsw-113-0000	CASH - FSS ESCROW		23,663.00	
scsw-711-0200	INTEREST INCOME - OTHER		3,123.00	
sp-126-0000	ACCOUNTS RECEIVABLE TENANTS		133.00	
sp-916-1015	MISCELLANEOUS EXPENSE		472.00	
sp-964-0000	Bad Debt Expense		120.00	
4home-964-0000	Bad Debt Expense			91.00
4rchc-924-0000	YOUTH ACTIVITIES			94.00
6cnis-345-0300	A/P OTHER - INTER-PROPERTY			434.00
6cnis-347-1000	INTER-FUND DUE TO {COCC}			11,928.00
6cnp-347-1021	INTER-FUND DUE TO {CNP GRANT}			10,936.00
6fss25-345-0000	OTHER CURRENT LIABILITIES			167.00
8ehv-312-2000	ACCRUED MGMT & BKKPING FEE			261.00
8ehv-347-1012	INTER-FUND DUE TO {HCV ADM}			422,390.00
8mr4-706-0010	HOUSING ASST PAYMENTS			154,299.00
8mr4admn-706-0020	ONGOING ADMIN FEES EARNED			6,208.00
9ec-916-1015	MISCELLANEOUS EXPENSE			281.00
ct-126-0000	ACCOUNTS RECEIVABLE TENANTS			2,050.00
ct-130-0100	ST LEASE RECEIVABLE			1,027.00
ev-345-0000	OTHER CURRENT LIABILITIES			125,812.00
ev-400-0100	DEFERRED INFLOW OF RESOURCES			167,534.00
fl-174-0300	LEASES RECEIVABLE			27.00
parkvill-111-0100	CASH - OPERATING			236.00
parkvill-916-1015	MISCELLANEOUS EXPENSE			4,768.00
pk-347-1000	INTER-FUND DUE TO {COCC}			23,458.00
pk-347-1014	INTER-FUND DUE TO {PK/Parkvill Fixed Asset Transfer}			1,626,803.00
pk-347-1017	INTER-FUND DUE TO {PUB HSG}			174.00
ps-704-0700	FRAUD RECOVERY REVENUE			1,447.00
pt-174-0300	LEASES RECEIVABLE			3,247.00

rcpt-130-0100	ST LEASE RECEIVABLE		3,247.00
rcpt-345-0000	OTHER CURRENT LIABILITIES		32,617.00
rcpt-400-0100	DEFERRED INFLOW OF RESOURCES		32,537.00
sckc-715-0100	MISCELLANEOUS INCOME		893.00
scsw-111-0100	CASH - OPERATING		23,663.00
scsw-704-0700	FRAUD RECOVERY REVENUE		3,123.00
sp-126-0100	Allowance for A/R		120.00
sp-715-0100	MISCELLANEOUS INCOME		13.00
sp-943-2000	INSPECTIONS - CONTRACTED SERV		472.00
sp-961-0000	INSURANCE - LIABILITY		120.00
Total		**2,660,477.00**	**2,660,477.00**

Adjusting Journal Entries JE # 6 **0924.00**

CLA made AJE on 5/20/26 to account for Negative Cash through excess cash transfers and interfund (AMPS)

bn-111-0100	CASH - OPERATING	196,697.00	
ct-111-0100	CASH - OPERATING	67,907.00	
ev-111-0100	CASH - OPERATING	177,645.00	
fl-111-0100	CASH - OPERATING	80,212.00	
hl-111-0100	CASH - OPERATING	121,298.00	
jt-111-0100	CASH - OPERATING	1,091,275.00	
kj-111-0100	CASH - OPERATING	64,939.00	
phtaxcr-144-3017	INTER-FUND DUE FROM {PUB HSG}	1,586,159.00	
pk-111-0100	CASH - OPERATING	145,686.00	
ps-111-0100	CASH - OPERATING	354,628.00	
pt-111-0100	CASH - OPERATING	92,578.00	
scne-111-0100	CASH - OPERATING	232,655.00	
scnw-999-0192	Inter Project Excess Cash Transfer Out	269,524.00	
scse-999-0192	Inter Project Excess Cash Transfer Out	506,877.00	
scsw-999-0192	Inter Project Excess Cash Transfer Out	39,588.00	
sp-999-0192	Inter Project Excess Cash Transfer Out	178,116.00	
ss-111-0100	CASH - OPERATING	7,950.00	
timb-999-0192	Inter Project Excess Cash Transfer Out	169,533.00	
ut-111-0100	CASH - OPERATING	116,328.00	
bn-347-1017	INTER-FUND DUE TO {PUB HSG}		140,257.00
bn-999-0191	Inter Project Excess Cash Transfer In		56,440.00
ct-999-0191	Inter Project Excess Cash Transfer In		67,907.00
ev-999-0191	Inter Project Excess Cash Transfer In		177,645.00
fl-999-0191	Inter Project Excess Cash Transfer In		80,212.00
hl-999-0191	Inter Project Excess Cash Transfer In		121,298.00
jt-347-1017	INTER-FUND DUE TO {PUB HSG}		1,091,275.00
kj-999-0191	Inter Project Excess Cash Transfer In		64,939.00
phtaxcr-111-0100	CASH - OPERATING		1,586,159.00
pk-999-0191	Inter Project Excess Cash Transfer In		145,686.00
ps-347-1017	INTER-FUND DUE TO {PUB HSG}		354,628.00
pt-999-0191	Inter Project Excess Cash Transfer In		92,578.00
scne-999-0191	Inter Project Excess Cash Transfer In		232,655.00
scnw-111-0100	CASH - OPERATING		269,524.00
scse-111-0100	CASH - OPERATING		506,877.00
scsw-111-0100	CASH - OPERATING		39,588.00
sp-111-0100	CASH - OPERATING		178,116.00
ss-999-0191	Inter Project Excess Cash Transfer In		7,950.00
timb-111-0100	CASH - OPERATING		169,533.00
ut-999-0191	Inter Project Excess Cash Transfer In		116,328.00
Total		**5,499,595.00**	**5,499,595.00**

Adjusting Journal Entries JE # 9 **0924.00**

CLA made AJE on 5/20/26 to account for Excess Cash Transfers for Negative Cash

1it-354-0000	COMPENSATED ABSENCES-LONG TERM	3,807.00	
1pc-354-0000	COMPENSATED ABSENCES-LONG TERM	7,656.00	
1ps-354-0000	COMPENSATED ABSENCES-LONG TERM	6,817.00	
2hlb-354-0000	COMPENSATED ABSENCES-LONG TERM	589.00	
6cnis-354-0000	COMPENSATED ABSENCES-LONG TERM	427.00	
6fss24-354-0000	COMPENSATED ABSENCES-LONG TERM	28,662.00	
9bv-354-0000	COMPENSATED ABSENCES-LONG TERM	481.00	
9crown2-354-0000	COMPENSATED ABSENCES-LONG TERM	156.00	
9noah-354-0000	COMPENSATED ABSENCES-LONG TERM	151.00	
fl-354-0000	COMPENSATED ABSENCES-LONG TERM	361.00	
pk-354-0000	COMPENSATED ABSENCES-LONG TERM	226.00	
pt-354-0000	COMPENSATED ABSENCES-LONG TERM	30,387.00	
scsw-354-0000	COMPENSATED ABSENCES-LONG TERM	2,358.00	
ss-354-0000	COMPENSATED ABSENCES-LONG TERM	13,188.00	
villas-354-0000	COMPENSATED ABSENCES-LONG TERM	745.00	
1it-322-0000	COMPENSATED ABSENCES - CURRENT		3,807.00
1pc-322-0000	COMPENSATED ABSENCES - CURRENT		7,656.00
1ps-322-0000	COMPENSATED ABSENCES - CURRENT		6,817.00
2hlb-322-0000	COMPENSATED ABSENCES - CURRENT		589.00
6cnis-322-0000	COMPENSATED ABSENCES - CURRENT		427.00
6fss24-322-0000	COMPENSATED ABSENCES - CURRENT		28,662.00
9bv-322-0000	COMPENSATED ABSENCES - CURRENT		481.00
9crown2-322-0000	COMPENSATED ABSENCES - CURRENT		156.00
9noah-322-0000	COMPENSATED ABSENCES - CURRENT		151.00
fl-322-0000	COMPENSATED ABSENCES - CURRENT		361.00

pk-322-0000	COMPENSATED ABSENCES - CURRENT		226.00
pt-322-0000	COMPENSATED ABSENCES - CURRENT		30,387.00
scsw-322-0000	COMPENSATED ABSENCES - CURRENT		2,358.00
ss-322-0000	COMPENSATED ABSENCES - CURRENT		13,188.00
villas-322-0000	COMPENSATED ABSENCES - CURRENT		745.00
Total		**96,011.00**	**96,011.00**

Adjusting Journal Entries JE # 10 **0924.00a**

CLA made AJE on 5/20/26 to make roll equity and correct movement of CFP to the AMP's

1plumb-916-1015	MISCELLANEOUS EXPENSE	5.00	
1plumb-999-1000	PRIOR PERIOD ADJUSTMENT	34,414.00	
4found-916-1015	MISCELLANEOUS EXPENSE	2.00	
4hio-916-1015	MISCELLANEOUS EXPENSE	105.00	
4homeadm-916-1015	MISCELLANEOUS EXPENSE	1.00	
6arjt22-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	1,374,321.00	
6cfp20-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	132,222.00	
6cfp21-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	334,190.00	
6cfp22-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	78,768.00	
6cfp23-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	914,498.00	
6cfp24-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	2,240,810.00	
6cnis-511-0100	RESTRICTED NET ASSETS	2.00	
6ross23-511-0100	RESTRICTED NET ASSETS	2.00	
8ehv-511-0100	RESTRICTED NET ASSETS	1.00	
8mvadmin-511-0100	RESTRICTED NET ASSETS	1.00	
8vo-916-1015	MISCELLANEOUS EXPENSE	3.00	
9bv-512-0040	CONTRA EQUITY	8,599.00	
9crown1-512-0040	CONTRA EQUITY	7,223.00	
9ec-512-0040	CONTRA EQUITY	19,252.00	
9far-512-0040	CONTRA EQUITY	776.00	
9noah-512-0040	CONTRA EQUITY	28,560.00	
annex-512-0040	CONTRA EQUITY	48,771.00	
bn-512-0040	CONTRA EQUITY	59,803.00	
bn-999-1000	PRIOR PERIOD ADJUSTMENT	6,331.00	
ct-511-0100	RESTRICTED NET ASSETS	3.00	
ct-512-0040	CONTRA EQUITY	75,960.00	
ev-511-0100	RESTRICTED NET ASSETS	2.00	
ev-512-0040	CONTRA EQUITY	61,173.00	
fl-512-0040	CONTRA EQUITY	117,581.00	
fl-916-1015	MISCELLANEOUS EXPENSE	3.00	
fl-999-1000	PRIOR PERIOD ADJUSTMENT	1,361.00	
hl-512-0040	CONTRA EQUITY	95,416.00	
hl-999-1000	PRIOR PERIOD ADJUSTMENT	178.00	
jt-511-0100	RESTRICTED NET ASSETS	3.00	
jt-512-0040	CONTRA EQUITY	1,968,211.00	
jt-999-1000	PRIOR PERIOD ADJUSTMENT	30,078.00	
kj-512-0040	CONTRA EQUITY	61,292.00	
kj-916-1015	MISCELLANEOUS EXPENSE	149.00	
kj-999-1000	PRIOR PERIOD ADJUSTMENT	4,125.00	
parkvill-916-1015	MISCELLANEOUS EXPENSE	1.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	19,252.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	28,560.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	7,223.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	8,599.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	776.00	
pk-512-0040	CONTRA EQUITY	45,681.00	
pk-916-1015	MISCELLANEOUS EXPENSE	1.00	
pk-999-1000	PRIOR PERIOD ADJUSTMENT	73,630.00	
ps-512-0040	CONTRA EQUITY	1,427,957.00	
ps-999-1000	PRIOR PERIOD ADJUSTMENT	4,534.00	
pt-511-0100	RESTRICTED NET ASSETS	2.00	
pt-512-0040	CONTRA EQUITY	140,766.00	
scmo-916-1015	MISCELLANEOUS EXPENSE	1.00	
scne-512-0040	CONTRA EQUITY	504,092.00	
scne-916-1015	MISCELLANEOUS EXPENSE	243.00	
scne-999-1000	PRIOR PERIOD ADJUSTMENT	6,859.00	
scnw-511-0100	RESTRICTED NET ASSETS	1.00	
scnw-512-0000	RETAINED EARNINGS	157,030.00	
scnw-512-0040	CONTRA EQUITY	68,079.00	
scse-512-0040	CONTRA EQUITY	161,626.00	
scsw-512-0040	CONTRA EQUITY	87,047.00	
scsw-916-1015	MISCELLANEOUS EXPENSE	1.00	
sp-512-0000	RETAINED EARNINGS	2,005.00	
ss-511-0100	RESTRICTED NET ASSETS	26.00	
ss-512-0000	RETAINED EARNINGS	2,475.00	
ut-511-0100	RESTRICTED NET ASSETS	93.00	
ut-512-0040	CONTRA EQUITY	86,943.00	
1plumb-511-0100	RESTRICTED NET ASSETS		5.00
1plumb-512-0000	RETAINED EARNINGS		34,414.00
4found-511-0100	RESTRICTED NET ASSETS		2.00
4hio-511-0100	RESTRICTED NET ASSETS		105.00
4homeadm-511-0100	RESTRICTED NET ASSETS		1.00
6arjt22-512-0040	CONTRA EQUITY		1,374,321.00

6cfp20-512-0040	CONTRA EQUITY		132,222.00
6cfp21-512-0040	CONTRA EQUITY		334,190.00
6cfp22-512-0040	CONTRA EQUITY		78,768.00
6cfp23-512-0040	CONTRA EQUITY		914,498.00
6cfp24-512-0040	CONTRA EQUITY		2,240,810.00
6cnis-916-1015	MISCELLANEOUS EXPENSE		2.00
6ross23-916-1015	MISCELLANEOUS EXPENSE		2.00
8ehv-916-1015	MISCELLANEOUS EXPENSE		1.00
8mvadmin-916-1015	MISCELLANEOUS EXPENSE		1.00
8vo-511-0100	RESTRICTED NET ASSETS		3.00
9bv-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		8,599.00
9crown1-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		7,223.00
9ec-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		19,252.00
9far-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		776.00
9noah-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		28,560.00
annex-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		48,771.00
bn-512-0000	RETAINED EARNINGS		6,331.00
bn-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		59,803.00
ct-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		75,960.00
ct-916-1015	MISCELLANEOUS EXPENSE		3.00
ev-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		61,173.00
ev-916-1015	MISCELLANEOUS EXPENSE		2.00
fl-511-0100	RESTRICTED NET ASSETS		3.00
fl-512-0000	RETAINED EARNINGS		1,361.00
fl-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		117,581.00
hl-512-0000	RETAINED EARNINGS		178.00
hl-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		95,416.00
jt-512-0000	RETAINED EARNINGS		30,078.00
jt-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		1,968,211.00
jt-916-1015	MISCELLANEOUS EXPENSE		3.00
kj-511-0100	RESTRICTED NET ASSETS		149.00
kj-512-0000	RETAINED EARNINGS		4,125.00
kj-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		61,292.00
parkvill-511-0100	RESTRICTED NET ASSETS		1.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		19,252.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		28,560.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		7,223.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		8,599.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		776.00
pk-511-0100	RESTRICTED NET ASSETS		1.00
pk-512-0000	RETAINED EARNINGS		73,630.00
pk-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		45,681.00
ps-512-0000	RETAINED EARNINGS		4,534.00
ps-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		1,427,957.00
pt-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		140,766.00
pt-916-1015	MISCELLANEOUS EXPENSE		2.00
scmo-511-0100	RESTRICTED NET ASSETS		1.00
scne-511-0100	RESTRICTED NET ASSETS		243.00
scne-512-0000	RETAINED EARNINGS		6,859.00
scne-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		504,092.00
scnw-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		68,079.00
scnw-916-1015	MISCELLANEOUS EXPENSE		1.00
scnw-999-1000	PRIOR PERIOD ADJUSTMENT		157,030.00
scse-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		161,626.00
scsw-511-0100	RESTRICTED NET ASSETS		1.00
scsw-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		87,047.00
sp-999-1000	PRIOR PERIOD ADJUSTMENT		2,005.00
ss-916-1015	MISCELLANEOUS EXPENSE		26.00
ss-999-1000	PRIOR PERIOD ADJUSTMENT		2,475.00
ut-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		86,943.00
ut-916-1015	MISCELLANEOUS EXPENSE		93.00
ev-512-0000	RETAINED EARNINGS		
ev-999-1000	PRIOR PERIOD ADJUSTMENT		
Total		**10,537,698.00**	**10,537,698.00**

Adjusting Journal Entries JE # 11 **2101.00**
CLA made AJE on 5/21/26 to properly classify funds due back to HUD.

8ehvadm-342-0010	Deferred Revenue - HUD Funds	124,250.00	
8ehvadm-974-0300	Other General Expenses	109,567.00	
8mr4-312-0000	ACCOUNTS PAYABLE	139,550.00	
8mr4-342-0010	Deferred Revenue - HUD Funds	70,525.00	
8mr4admn-312-0000	ACCOUNTS PAYABLE	16,546.00	
8mr4admn-342-0010	Deferred Revenue - HUD Funds	15,004.00	
8ehvadm-331-0000	ACCOUNTS PAYABLE - HUD PHA PROGRAMS		233,817.00
8mr4-331-0000	Due to HUD		139,550.00
8mr4-706-0010	HOUSING ASST PAYMENTS		70,525.00
8mr4admn-331-0000	Due to HUD		16,546.00
8mr4admn-706-0020	ONGOING ADMIN FEES EARNED		11,273.00
8mr4admn-919-0199	Other Misc Expense		3,731.00
Total		**475,442.00**	**475,442.00**

Adjusting Journal Entries JE # 12 **925.00**

PBC from Lindsey Anderson, Finance Manager, on May 27, 2026 to true up accounts receivable.

4hio-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,194.00	
4home-964-0000	Bad Debt Expense	92.00	
8ehv-126-0000	ACCOUNTS RECEIVABLE TENANTS	60.00	
8modckco-126-0000	ACCOUNTS RECEIVABLE TENANTS	4.00	
8mr4-126-0000	ACCOUNTS RECEIVABLE TENANTS	291.00	
8port-964-0000	Bad Debt Expense	1,488.00	
8portin-126-0000	ACCOUNTS RECEIVABLE TENANTS	1,233.00	
8protcv-126-0000	ACCOUNTS RECEIVABLE TENANTS	2,231.00	
8protect-964-0000	Bad Debt Expense	61.00	
8protfl-126-0000	ACCOUNTS RECEIVABLE TENANTS	4,148.00	
8vo-126-0000	ACCOUNTS RECEIVABLE TENANTS	20,189.00	
9bv-964-0000	BAD DEBT EXPENSE	1,348.00	
9crown1-126-0000	ACCOUNTS RECEIVABLE TENANTS	2,647.00	
9crown2-964-0000	Bad Debt Expense	2,697.00	
9ec-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,825.00	
9far-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,616.00	
9kcc-126-0000	ACCOUNTS RECEIVABLE TENANTS	15,298.00	
9noah-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,577.00	
9sec-126-0000	ACCOUNTS RECEIVABLE TENANTS	16.00	
bn-964-0000	BAD DEBT EXPENSE	3,001.00	
ct-964-0000	BAD DEBT EXPENSE	3,704.00	
ev-126-0000	ACCOUNTS RECEIVABLE TENANTS	6,923.00	
fl-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,526.00	
hl-964-0000	BAD DEBT EXPENSE	4,054.00	
jt-964-0000	BAD DEBT EXPENSE	2,580.00	
kj-126-0000	ACCOUNTS RECEIVABLE TENANTS	4,360.00	
parkvill-964-0000	BAD DEBT EXPENSE	2,080.00	
pk-126-0000	ACCOUNTS RECEIVABLE TENANTS	414.00	
pn-964-0000	Bad Debt Expense	1,451.00	
ps-964-0000	BAD DEBT EXPENSE	9,702.00	
pt-964-0000	BAD DEBT EXPENSE	12,058.00	
scne-126-0000	ACCOUNTS RECEIVABLE TENANTS	20,897.00	
scnw-126-0000	ACCOUNTS RECEIVABLE TENANTS	23,483.00	
scse-964-0000	BAD DEBT EXPENSE	3,462.00	
scsw-126-0000	ACCOUNTS RECEIVABLE TENANTS	19,520.00	
sp-964-0000	Bad Debt Expense	7,141.00	
ss-964-0000	BAD DEBT EXPENSE	12,347.00	
ut-964-0000	BAD DEBT EXPENSE	3,781.00	
villas-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,497.00	
4hio-964-0000	Bad Debt Expense		5,194.00
4home-126-0000	ACCOUNTS RECEIVABLE TENANTS		92.00
8ehv-964-0000	Bad Debt Expense		60.00
8modckco-964-0000	Bad Debt Expense		4.00
8mr4-964-0000	Bad Debt Expense		291.00
8port-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,488.00
8portin-964-0000	Bad Debt Expense		1,233.00
8protcv-964-0000	Bad Debt Expense		2,231.00
8protect-126-0000	ACCOUNTS RECEIVABLE TENANTS		61.00
8protfl-964-0000	Bad Debt Expense		4,148.00
8vo-964-0000	Bad Debt Expense		20,189.00
9bv-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,348.00
9crown1-964-0000	BAD DEBT EXPENSE		2,647.00
9crown2-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,697.00
9ec-964-0000	BAD DEBT EXPENSE		5,825.00
9far-964-0000	BAD DEBT EXPENSE		5,616.00
9kcc-964-0000	BAD DEBT EXPENSE		15,298.00
9noah-964-0000	BAD DEBT EXPENSE		3,577.00
9sec-964-0000	BAD DEBT EXPENSE		16.00
bn-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,001.00
ct-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,704.00
ev-964-0000	BAD DEBT EXPENSE		6,923.00
fl-964-0000	BAD DEBT EXPENSE		3,526.00
hl-126-0000	ACCOUNTS RECEIVABLE TENANTS		4,054.00
jt-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,580.00
kj-964-0000	BAD DEBT EXPENSE		4,360.00
parkvill-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,080.00
pk-964-0000	BAD DEBT EXPENSE		414.00
pn-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,451.00
ps-126-0000	ACCOUNTS RECEIVABLE TENANTS		9,702.00
pt-126-0000	ACCOUNTS RECEIVABLE TENANTS		12,058.00
scne-964-0000	BAD DEBT EXPENSE		20,897.00
scnw-964-0000	BAD DEBT EXPENSE		23,483.00
scse-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,462.00
scsw-964-0000	BAD DEBT EXPENSE		19,520.00
sp-126-0000	ACCOUNTS RECEIVABLE TENANTS		7,141.00
ss-126-0000	ACCOUNTS RECEIVABLE TENANTS		12,347.00
ut-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,781.00
villas-964-0000	BAD DEBT EXPENSE		3,497.00
Total		**219,996.00**	**219,996.00**

Adjusting Journal Entries JE # 13 **0926.00**

PBC from Lindsey Anderson, Finance Manager, on May 26, 2026 to correct capital assets.

1con-166-2500	ACCUM DEPR - AUTOMOTIVE EQUIPMENT		10,689.00	
6cfp20-162-0200	CONTRACT WORK IN PROCESS		825.00	
6cfp23-512-0040	CONTRA EQUITY		825.00	
6cfp23-943-1710	EXTERIOR REPAIRS - CONTRACTED SERV		9,131.00	
6cfp23-943-2300	Fire Safety - Contracted Services		10,585.00	
6cfp24-943-1600	PLUMBING - CONTRACTED SERV		11,123.00	
6cfp24-943-1710	EXTERIOR REPAIRS - CONTRACTED SERV		15,700.00	
jt-166-2500	ACCUM DEPR - AUTOMOTIVE EQUIPMENT		29,538.00	
scne-166-0120	ACCUM DEPR - BUILDING IMPROVEMENTS		3,281.00	
scne-166-1000	ACCUM DEPR - DWELLING EQUIPMENT		1,266.00	
scne-916-1015	MISCELLANEOUS EXPENSE		2,808.00	
1con-164-0500	AUTOMOTIVE EQUIPMENT			10,689.00
6cfp20-512-0040	CONTRA EQUITY			825.00
6cfp23-162-0100	BUILDING IMPROVEMENTS			9,131.00
6cfp23-162-0200	CONTRACT WORK IN PROCESS			825.00
6cfp23-163-0000	DWELLING EQUIPMENT			10,585.00
6cfp24-163-0000	DWELLING EQUIPMENT			11,123.00
6cfp24-164-0000	SITE IMPROVEMENTS			15,700.00
jt-164-0500	AUTOMOTIVE EQUIPMENT			29,538.00
scne-162-0100	BUILDING IMPROVEMENTS			6,089.00
scne-163-0000	DWELLING EQUIPMENT			1,266.00
Total			**95,771.00**	**95,771.00**

Adjusting Journal Entries JE # 14 **0924.00**

CLA made AJE on 5/20/26 to reflect CFP transfer from AMP to BCU on correct FDS line

6cfp24-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		64,410.00	
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		8,599.00	
9crown1-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		7,223.00	
9ec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		19,252.00	
9far-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		776.00	
9noah-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		28,560.00	
phtaxcr-973-0000	Housing Assistance Payments		64,410.00	
6cfp24-999-0040	TRANSFERS BET PROGRAMS & PROJECTS - OUT			64,410.00
9bv-708-0000	Other Government Grants			8,599.00
9crown1-708-000	Other Government Grants			7,223.00
9ec-708-0000	Other Government Grants			19,252.00
9far-708-0000	Other Government Grants			776.00
9noah-708-0000	Other Government Grants			28,560.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS			64,410.00
6c-19cha-111-0100	CASH - OPERATING			
Total			**193,230.00**	**193,230.00**

Adjusting Journal Entries JE # 18 **4000.05**

CLA posted journal entry on 6/15/2026 to the trial balance to eliminate loss and revenue from the sale of River City from business activities to blended component units.

ELIM-71500	Miscellaneous Income		3,098,250.00	
ELIM-71600	Gain/Loss on Sale of Fixed Asset			3,098,250.00
Total			**3,098,250.00**	**3,098,250.00**

Adjusting Journal Entries JE # 19 **1350.05**

In the fiscal year, OHA extended the terms of leases in which they were the lessor of cell towers. This resulted in an increased lease receivable and deferred inflow that was detected by the audit team. Booked July 11, 2026.

bn-174-0300	LEASES RECEIVABLE		503,058.00	
ct-174-0300	LEASES RECEIVABLE		503,058.00	
kj-174-0300	LEASES RECEIVABLE		333,838.00	
bn-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			503,058.00
ct-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			503,058.00
kj-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			333,838.00
Total			**1,339,954.00**	**1,339,954.00**

Adjusting Journal Entries JE # 21 **0927.00**

PBC from Lindsey Anderson, Finance Manager, on June 12, 2026, to correct the capital assets entry for RCSCNE and SCNE.

rcscne-715-0100	MISCELLANEOUS INCOME		8,561,555.00	
scne-166-0000	ACCUM DEPR - BUILDINGS		104.00	
rcscne-162-0000	BUILDINGS			8,561,555.00
scne-716-0000	GAIN/LOSS ON SALE OF FIXED ASSET			104.00
scne-162-0000	BUILDINGS			
Total			**8,561,659.00**	**8,561,659.00**

Adjusting Journal Entries JE # 25 **0928.00**

During audit procedures, CLA identified a balance improperly recorded to contract retainage. Lindsey Anderson, Finance Manager, provided this entry on 7/8/26 to correct the balance.

jt-345-0100	CONTRACT RETAINAGE		604,370.00	
jt-162-0200	CONTRACT WORK IN PROCESS			604,370.00
Total			**604,370.00**	**604,370.00**

Adjusting Journal Entries JE # 26 **3000.00**

Entry to run the immaterial prior period adjustment through current year expenses. Posted by CLA on 7/14/26.

1cocc-916-1015	MISCELLANEOUS EXPENSE		102,136.00	
1cocc-999-1000	PRIOR PERIOD ADJUSTMENT			102,136.00
Total			**102,136.00**	**102,136.00**

Adjusting Journal Entries JE # 30		**0100.20**		
AJE posted for rounding to correct note receivable in the financial statements.				
phtaxcr-916-1015	MISCELLANEOUS EXPENSE		1.00	
phtaxcr-171-0200	N/R BAYVIEW			1.00
Total			**1.00**	**1.00**
Adjusting Journal Entries JE # 31		**5000.04**		
7/28/26 - to capitalize window replacement invoices for Park South Tower from Meco-Henne that were expensed. The rest of the invoices for this project have been capitalized.				
ps-162-0100	BUILDING IMPROVEMENTS		353,067.00	
ps-943-1900	WINDOWS/DOORS REPL - CONTRACTED SERV			353,067.00
Total			**353,067.00**	**353,067.00**
Adjusting Journal Entries JE # 32		**0929.00**		
To correctly state CNIS Grant				
6cnis-123-0000	A/R OTHER GOVERNMENTS		1,415,321.00	
6cnis-911-0100	ADMIN CASUAL LABOR		52,165.00	
6cnis-916-1015	MISCELLANEOUS EXPENSE		71,350.00	
6cnis-922-0000	RELOCATION EXPENSES		99,342.00	
6cnis-924-0100	RESIDENT SERVICES EXPENSE		72.00	
6cnis-312-0000	ACCOUNTS PAYABLE			222,414.00
6cnis-708-0000	OTHER GOV'T GRANTS/DONATIONS			1,049,644.00
6cnis-916-1015	MISCELLANEOUS EXPENSE			365,677.00
6cnis-916-3001	IT SUPPORT - CONTR SERV			375.00
6cnis-943-0800	CLEANING - CONTRACTED SERV			140.00
Total			**1,638,250.00**	**1,638,250.00**
	Total Adjusting Journal Entries		**35,618,952.00**	**35,618,952.00**
	Total All Journal Entries		**35,618,952.00**	**35,618,952.00**

Client: ***B131248 - Omaha Housing Authority***
Engagement: ***AUD25 - Housing Authority of the City of Omaha***
Period Ending: ***12/31/2025***
Trial Balance: ***0900.00 - Trial Balance***
Workpaper: ***0922.00 - Reclassification Journal Entry Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 1		**0924.00**		
CLA made AJE on 5/23/26 to reflect OPs revenue transfered in from AMP to BCU				
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		35,837.00	
9crown1-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		59,729.00	
9crown2-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		52,077.00	
9ec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		124,417.00	
9far-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		91,728.00	
9kcc-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		102,742.00	
9noah-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		43,454.00	
9sec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		148.00	
phtaxcr-973-0000	Housing Assistance Payments		510,132.00	
9bv-708-0000	Other Government Grants			35,837.00
9crown1-708-000	Other Government Grants			59,729.00
9crown2-708-0000	Other Government Grants			52,077.00
9ec-708-0000	Other Government Grants			124,417.00
9far-708-0000	Other Government Grants			91,728.00
9kcc-708-0000	Other Government Grants			102,742.00
9noah-708-0000	Other Government Grants			43,454.00
9sec-708-0000	Other Government Grants			148.00
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			510,132.00
Total			**1,020,264.00**	**1,020,264.00**
Reclassifying Journal Entries JE # 4		**0100.20**		
To reclass negative cash for BUSA				
1cocc-144-3010	INTER-FUND DUE FROM {VILLAS}		75,997.00	
ELIM-347	Inter Program - Due To		75,997.00	
villas-111-0100	CASH - OPERATING		75,997.00	
1cocc-111-0100	CASH - OPERATING			75,997.00
ELIM-144	Inter Program Due From			75,997.00
villas-347-1000	INTER-FUND DUE TO {COCC}			75,997.00
Total			**227,991.00**	**227,991.00**
Reclassifying Journal Entries JE # 7		**0924.00**		
CLA made RJE on 5/20/26 to reclass FSS payments from 97300 to 96200 for LIPH properties.				
9crown1-973-0000	HAP EXPENSE		3.00	
9ec-974-0300	Other General Expenses		400.00	
9kcc-973-0000	HAP EXPENSE		23.00	
hl-974-0300	Other General Expenses		374.00	
scne-974-0300	Other General Expenses		5,122.00	
scnw-974-0300	Other General Expenses		8,458.00	
scse-974-0300	Other General Expenses		800.00	
scsw-974-0300	Other General Expenses		4,295.00	
ss-974-0300	Other General Expenses		6,321.00	
9crown1-974-0300	Other General Expenses			3.00
9ec-973-0000	HAP EXPENSE			400.00
9kcc-974-0300	Other General Expenses			23.00
hl-973-0000	HAP EXPENSE			374.00
scne-973-0000	HAP EXPENSE			5,122.00
scnw-973-0000	HAP EXPENSE			8,458.00
scse-973-0000	HAP EXPENSE			800.00
scsw-973-0000	HAP EXPENSE			4,295.00
ss-973-0000	HAP EXPENSE			6,321.00
Total			**25,796.00**	**25,796.00**
Reclassifying Journal Entries JE # 8		**0924.00**		
CLA made RJE on 5/20/26 to reclass Utility reimbursement payments for LIPH from 97300 to 70300.				
9bv-704-0500	OTHER TENANT REVENUE		6,063.00	
9crown1-704-0500	OTHER TENANT REVENUE		3,876.00	
9crown2-704-0500	OTHER TENANT REVENUE		9,990.00	
9ec-704-0500	OTHER TENANT REVENUE		13,481.00	
9far-704-0500	OTHER TENANT REVENUE		9,458.00	
9kcc-704-0500	OTHER TENANT REVENUE		10,991.00	
9noah-704-0500	OTHER TENANT REVENUE		6,077.00	
pk-704-0500	OTHER TENANT REVENUE		7,814.00	
scne-704-0500	OTHER TENANT REVENUE		59,674.00	
scnw-704-0500	OTHER TENANT REVENUE		22,017.00	
scse-704-0500	OTHER TENANT REVENUE		39,298.00	
scsw-704-0500	OTHER TENANT REVENUE		28,546.00	
9bv-973-0500	UTILITY REIMBURSEMENT			6,063.00
9crown1-973-0500	UTILITY REIMBURSEMENT			3,876.00
9crown2-973-0500	UTILITY REIMBURSEMENT			9,990.00

9ec-973-0500	UTILITY REIMBURSEMENT			13,481.00
9far-973-0500	UTILITY REIMBURSEMENT			9,458.00
9kcc-973-0500	UTILITY REIMBURSEMENT			10,991.00
9noah-973-0500	UTILITY REIMBURSEMENT			6,077.00
pk-973-0500	UTILITY REIMBURSEMENT			7,814.00
scne-973-0500	UTILITY REIMBURSEMENT			59,674.00
scnw-973-0500	UTILITY REIMBURSEMENT			22,017.00
scse-973-0500	UTILITY REIMBURSEMENT			39,298.00
scsw-973-0500	UTILITY REIMBURSEMENT			28,546.00
Total			**217,285.00**	**217,285.00**
Reclassifying Journal Entries JE # 15		**0990.02**		
CLA posted this AJE on 6/10/2026 to reflect eliminations per the FDS in the trial balance.				
ELIM-10010	Operating transfer in		2,532,785.00	
ELIM-10091	Inter project excess cash transfer in		1,163,638.00	
ELIM-10093	Transfers between program and project - in		21,060.00	
ELIM-347	Inter Program - Due To		17,583,221.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		2,057,738.00	
ELIM-512.4	Unrestricted Net Position		2,296,065.00	
ELIM-70710	Management Fee		2,896,353.00	
ELIM-70730	Book Keeping Fee		567,180.00	
ELIM-70800	Other government grants		574,542.00	
ELIM-10020	Operating transfer out			2,532,785.00
ELIM-10092	Inter project excess cash transfer out			1,163,638.00
ELIM-10094	Transfers between program and project - out			21,060.00
ELIM-127	Notes, Loans, & Mortgages Receivable - Current			2,057,738.00
ELIM-144	Inter Program Due From			17,583,221.00
ELIM-176	Investments in Joint Ventures			2,296,065.00
ELIM-91300	Management Fee			2,896,353.00
ELIM-91310	Book-keeping Fee			567,180.00
ELIM-97300	Housing assistance payments			574,542.00
Total			**29,692,582.00**	**29,692,582.00**
Reclassifying Journal Entries JE # 16		**2500.01**		
CLA posted on 6/12/2026 to reflect additional eliminations of debt balances that were not reflected in the crosswalk.				
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		6,231,674.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		348,999.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		1,001.00	
ELIM-127	Notes, Loans, & Mortgages Receivable - Current			1,001.00
ELIM-171	Notes, Loans and Mortgages Receivable - Non-Current			6,231,674.00
ELIM-171	Notes, Loans and Mortgages Receivable - Non-Current			348,999.00
Total			**6,581,674.00**	**6,581,674.00**
Reclassifying Journal Entries JE # 20		**81-AB03**		
CLA made RJE on 6/15/26 to reclass overages of EHV management and bookkeeping fees to other expenses.				
8ehvadm-974-0300	Other General Expenses		14,223.00	
8ehvadm-913-0000	MANAGEMENT FEE			6,247.00
8ehvadm-913-0020	BOOKKEEPING FEE			7,976.00
Total			**14,223.00**	**14,223.00**
Reclassifying Journal Entries JE # 22		**0100.20**		
CLA made RJE on 6/17/26 to adjust equity rollforward for rounding differences.				
2hlb-916-0950	OFFICE EXPENSE		1.00	
4found-916-1015	MISCELLANEOUS EXPENSE		1.00	
8mr4admn-916-1015	MISCELLANEOUS EXPENSE		1.00	
2hlb-512-0000	RETAINED EARNINGS			1.00
4found-512-0000	RETAINED EARNINGS			1.00
8mr4admn-512-0000	RETAINED EARNINGS			1.00
Total			**3.00**	**3.00**
Reclassifying Journal Entries JE # 23		**0100.20**		
Trivial entry to reclassify Interprogram not netting to $0.				
9bv-916-1015	MISCELLANEOUS EXPENSE		2.00	
parkvill-916-0100	LEGAL SERVICES - OUTSIDE		444.00	
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			2.00
parkvill-144-0001	INTER-FUND DUE FROM {PK/Parkvill Fixed Asset Transfer}			14.00
parkvill-347-1000	INTER-FUND DUE TO {COCC}			430.00
Total			**446.00**	**446.00**
Reclassifying Journal Entries JE # 24		**0100.20**		
FDS Purposes Only - to reclass immaterial unnatural balances				
BCU - 91300	Management Fee		6,248.00	
BCU - 91310	Book-keeping Fee		7,972.00	
BCU - 91600	Office Expenses			14,220.00
Total			**14,220.00**	**14,220.00**
Reclassifying Journal Entries JE # 27		**4000.08**		
Entry posted to eliminate fee revenue and expenses.				
Elim-70740	Front line service Fees		2,513,567.00	
ELIM-70750	Other Fees		119,090.00	
ELIM-91900	Other			98,635.00
ELIM-92400	Tenant Services - Other			2,268,803.00

Elim-94300	Other			20,455.00
ELIM-95100	Protective Services - Labor			244,764.00
Total			**2,632,657.00**	**2,632,657.00**

Reclassifying Journal Entries JE # 28 **0100.20**

To reclassify operating transfer based on account balance direction.

BCU-100020	Operating Transfer Out		64,408.00	
ELIM-10010	Operating transfer in		64,408.00	
BCU-100010	Operating Transfer In			64,408.00
ELIM-10020	Operating transfer out			64,408.00
Total			**128,816.00**	**128,816.00**

Reclassifying Journal Entries JE # 29 **1300.06**

To reclass allowance for doubtful accounts for landlord overpayments to the correct FDS line

8vo-125-1000	ALLOWANCE FOR DOUBTFUL OTHER A/R		154,213.00	
8vo-126-0100	Allowance for A/R			154,213.00
Total			**154,213.00**	**154,213.00**
	Total Reclassifying Journal Entries		**40,710,170.00**	**40,710,170.00**
	Total All Journal Entries		**40,710,170.00**	**40,710,170.00**

6. CONSENT AGENDA ITEMS FOR CONSIDERATION

6.1. Minutes of Previous Regular Board Meeting (August 6, 2026)

OMAHA HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING MINUTES
Omaha Housing Authority | 1823 Harney Street | Omaha, NE 68102
August 6, 2026 | 8:30 a.m.

STAFF PRESENT: Joanie Balk, Brian Hansen, Ashley Zahm, Susan Gilroy, Latina Jackson, Sal Issaka, Shannon Mahnke, Angela Finke, Michelle Therkildsen, Philisa Smith, Charles Karl, Ann Morrow, Lindsey Anderson, Joy Kayode

The meeting was called to order at 8:32p.m.

CALL TO ORDER:

1. Announcement of Open Meetings Act

The meeting falls under the Open Meetings Act and copies of the law are available.

2. Roll Call

Commissioners Present:

David Levy, Chair
Joel Dougherty, Vice Chair
Jennifer Taylor
Dontania Petrie
Tony Veland
Anna Caro
Keenya Barnes-Heyward

Commissioners Absent:

Abdi Salad Hussein
Christine Johnson

3. Public Comments

Chair Levy questioned if there were any public comments. There were no public comments received.

REPORT OF THE CHIEF EXECUTIVE OFFICER:

Ms. Balk stated that she would yield her time to Mr. Issaka and the Ann Goldstein Scholarship awardees present today.

Mr. Issaka explained that each year, this award recognizes high school seniors who have lived in OHA housing and demonstrated excellent leadership, resilience, and commitment to their future. The Outstanding Young Leader Award was established in 1988 by the Omaha Chamber's Leadership Omaha Class 10. In 1999, the Award was renamed the "Ann Goldstein Outstanding Young Leader Award" as a tribute to Ann, the former director of Leadership Omaha. Funding for the award comes from the Ann Goldstein Outstanding Young Leader Award Endowment Fund at the Jewish Federation of Omaha Foundation.

CONSENT AGENDA ITEMS FOR CONSIDERATION:

(All items listed under the Consent Agenda will be enacted by one motion unless a commissioner requires otherwise, in which event the item may be removed from the Consent Agenda and considered separately.)

4. Minutes of Previous Regular Board Meeting (July 6, 2026)
5. Resolution 2026-53 OHA Past Due Write-offs
6. Resolution 2026-54 Laundry Equipment and Service, Contract Renewal
7. Resolution 2026-55 Environmental Site Assessments, Contract Renewal

8. Resolution 2026-56 General Construction Pool, Contract Renewal
9. Resolution 2026-57 Revised Remote Work Policy

Chair Levy questioned if any items needed removed from the consent agenda to be considered separately.

MOTION by Commissioner Dougherty, seconded by Commissioner Taylor, to approve the Consent Agenda.
Motion passed. Aye-7, Nay-0

Commissioner Petrie – Aye
Commissioner Barnes-Heyward– Aye
Commissioner Veland– Aye
Commissioner Taylor – Aye
Commissioner Caro – Aye
Commissioner Dougherty – Aye
Chair Levy – Aye

ADDITIONAL AGENDA ITEMS FOR CONSIDERATION

10. Resolution 2026-58 Bond Inducement, City View

Mr. Hansen explained this resolution is to express the intent to issue bonds for City View Apartments.

MOTION by Commissioner Taylor, seconded by Commissioner Petrie, to approve Resolution 2026-58 Bond Inducement, City View
Motion passed. Aye-7, Nay-0

Commissioner Petrie – Aye
Commissioner Barnes-Heyward– Aye
Commissioner Veland– Aye
Commissioner Taylor – Aye
Commissioner Caro – Aye
Commissioner Dougherty – Aye
Chair Levy – Aye

DEPARTMENT REPORTS AND DISCUSSION ITEMS (as necessary):

- **Housing Choice Voucher Program**
- **Asset Management (Public Housing)**
- **Housing in Omaha, Inc.**
- **River City Housing Connections**
- **Compliance**
- **Financials-**Ms. Zahm presented the financial update.
- **Development**
- **Procurement/Contracting/Capital Budget**
- **Human Resources**
- **Family and Community Services**
- **Legal**
- **Quality Improvement**

NEW BUSINESS:

There was no new business.

Chair Levy questioned if there was a need for executive session. There was a need for executive session.

MOTION by Commissioner Taylor, seconded by Commissioner Petrie, to move into Executive Session for legal and personnel matters at 8:49 a.m.
Motion passed. Aye-7, Nay-0

Commissioner Petrie – Aye
Commissioner Barnes-Heyward– Aye
Commissioner Veland– Aye
Commissioner Taylor – Aye
Commissioner Caro – Aye
Commissioner Dougherty – Aye
Chair Levy – Aye

EXECUTIVE SESSION:

MOTION by Commissioner Veland, seconded by Commissioner Dougherty, to come out of Executive Session at 9:28 a.m.
Motion passed. Aye-7, Nay-0

Commissioner Petrie – Aye
Commissioner Barnes-Heyward– Aye
Commissioner Veland– Aye
Commissioner Taylor – Aye
Commissioner Caro – Aye
Commissioner Dougherty – Aye
Chair Levy – Aye

ADJOURNMENT:

MOTION by Commissioner Dougherty, seconded by Commissioner Taylor to adjourn the meeting at 9:28 a.m.
Motion passed. Aye-7, Nay-0

Commissioner Petrie – Aye
Commissioner Barnes-Heyward– Aye
Commissioner Veland– Aye
Commissioner Taylor – Aye
Commissioner Caro – Aye
Commissioner Dougherty – Aye
Chair Levy – Aye

6.2. Resolution 2026-59 Bond Inducement, Evans & Highland Towers

RESOLUTION NO. 2026-59

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE OMAHA HOUSING AUTHORITY, EXPRESSING AN INTENT TO ISSUE BONDS AND REIMBURSE CERTAIN QUALIFIED EXPENDITURES WITH PROCEEDS OF ONE OR MORE ISSUES OF SUCH BONDS TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $19,000,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF MULTIMILY HOUSING APARTMENTS; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Omaha Housing Authority ("OHA") has been created as a public body, corporate and politic, designated a political subdivision of the State of Nebraska (the "State") pursuant to Nebraska Revised Statutes Section 71-1572, et seq. (the "Act"), exercising necessary and essential governmental functions for the purposes stated in the Act; and

WHEREAS, OHA is authorized and empowered by the constitution and laws of the State, including the Act to issue bonds and other debt instruments to finance the development and operation of decent, safe and sanitary rental housing that is affordable to persons of low and moderate income; and

WHEREAS, OHA desires to issue bonds and reimburse River City Housing Connections, a non-profit corporation, or an affiliate thereof (the "Borrower") with proceeds of one or more issues of such bonds issued by OHA (the "Bonds") in an amount not to exceed $19,000,000, for the purpose of financing the acquisition and rehabilitation of multifamily rental housing developments known as Evans Tower, a 111 unit public housing rental project located at 3600 N. 24th Street in Omaha, Douglas County, Nebraska and Highland Tower, a 107 unit public housing rental project located at 2500 B Street in Omaha, Douglas County, Nebraska (the "Project") to be occupied by persons of low and/or moderate income in compliance with the Act, the rules of OHA and applicable provisions of the Internal Revenue Code of 1986, as amended; and

WHEREAS, OHA has determined that it is appropriate and necessary that OHA express its intention to issue the Bonds and to reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition and construction of the Project with the proceeds of the Bonds; and

WHEREAS, except for certain preliminary expenditures for which the Borrower may be reimbursed in accordance with Treasury Regulation Section 1.150-2(f)(2), no costs of the Project to be reimbursed have been paid more than 60 days prior to the date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF OMAHA HOUSING AUTHORITY THAT:

1. In order to finance the acquisition and rehabilitation of the Project, OHA hereby expresses its intent to issue the Bonds and reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition and construction of the Project with proceeds of the Bonds, in an amount not to exceed $19,000,000. Qualified costs to be reimbursed shall be determined in accordance with the provisions of Treasury Regulation Section 1.150-2. The exact amounts, maturities, interest rates, redemption terms and other terms and provisions of the Bonds will be determined by a future resolution of OHA.

2. Subject to final approval by OHA, OHA will loan the proceeds of the Bonds to the Borrower for purposes of owning and operating the Project or otherwise financing the Project to or for the Borrower, pursuant to the terms of an agreement to be approved by OHA upon the adoption of a future resolution of OHA.

3. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

4. That this Resolution shall become effective immediately upon its passage and approval.

Adopted and approved this 3rd day of September, 2026 by the Board of Commissioners of Omaha Housing Authority.

By:___________________________________
David C. Levy
Chair

ATTEST:

____
Joel Dougherty
Vice-Chair

6.3. Resolution 2026-60 Bond Inducement, SST4

RESOLUTION NO. 2026-60

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE OMAHA HOUSING AUTHORITY, EXPRESSING AN INTENT TO ISSUE BONDS AND REIMBURSE CERTAIN QUALIFIED EXPENDITURES WITH PROCEEDS OF ONE OR MORE ISSUES OF SUCH BONDS TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $11,000,000 TO FINANCE THE CONSTRUCTION OF MULTIMILY HOUSING APARTMENTS; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Omaha Housing Authority ("OHA") has been created as a public body, corporate and politic, designated a political subdivision of the State of Nebraska (the "State") pursuant to Nebraska Revised Statutes Section 71-1572, et seq. (the "Act"), exercising necessary and essential governmental functions for the purposes stated in the Act; and

WHEREAS, OHA is authorized and empowered by the constitution and laws of the State, including the Act to issue bonds and other debt instruments to finance the development and operation of decent, safe and sanitary rental housing that is affordable to persons of low and moderate income; and

WHEREAS, OHA desires to issue bonds and reimburse SST Phase 4 LIHTC, LLC, or an affiliate thereof (the "Borrower") with proceeds of one or more issues of such bonds issued by OHA (the "Bonds") in an amount not to exceed $11,000,000, for the purpose of financing the construction of 84 units of housing in a 113 unit multifamily rental housing development known as Southside Terrace Phase 4 located at 5431 S. 29th Street in Omaha, Douglas County, Nebraska (the "Project") The 84 units in the Project financed by such bonds issued by OHA are to be occupied by persons of low and/or moderate income in compliance with the Act, the rules of OHA and applicable provisions of the Internal Revenue Code of 1986, as amended; and

WHEREAS, OHA has determined that it is appropriate and necessary that OHA express its intention to issue the Bonds and to reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition and construction of the Project with the proceeds of the Bonds; and

WHEREAS, except for certain preliminary expenditures for which the Borrower may be reimbursed in accordance with Treasury Regulation Section 1.150-2(f)(2), no costs of the Project to be reimbursed have been paid more than 60 days prior to the date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF OMAHA HOUSING AUTHORITY THAT:

1. In order to finance the acquisition and rehabilitation of the Project, OHA hereby expresses its intent to issue the Bonds and reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition and construction of the Project with proceeds of the Bonds, in an amount not to exceed $11,000,000. Qualified costs to be reimbursed shall be determined in accordance with the provisions of Treasury Regulation Section 1.150-2. The exact amounts, maturities, interest rates, redemption terms and other terms and provisions of the Bonds will be determined by a future resolution of OHA.

2. Subject to final approval by OHA, OHA will loan the proceeds of the Bonds to the Borrower for purposes of owning and operating the Project or otherwise financing the Project to or for the Borrower, pursuant to the terms of an agreement to be approved by OHA upon the adoption of a future resolution of OHA.

3. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

4. That this Resolution shall become effective immediately upon its passage and approval.

Adopted and approved this 3rd day of September, 2026 by the Board of Commissioners of Omaha Housing Authority.

By:__________________________________
David C. Levy
Chair

ATTEST:

____
Joel Dougherty
Vice-Chair

6.4. Resolution 2026-61 Option Agreement, Evans & Highland Towers

RESOLUTION NO. 2026 -61
OPTION AGREEMENT FOR LEASE OF EVANS AND HIGLAND TOWERS

WHEREAS, as part of efforts to transition housing inventory from Public Housing to Project-Based Vouchers (PBV) through the RAD/Section 18 blend conversion program, the Housing Authority of the City of Omaha (OHA), in partnership with the City of Omaha, BRINSHORE DEVELOPMENT, LLC, plan to rehabilitate the housing developments known as Evans Tower and Highland Tower located at 3600 North 24th Street and 2500 B Street respectively in Omaha, Nebraska;

WHEREAS, the redevelopment plans for the site include substantial rehabilitation of 218 mixed-income housing units to be completed with funding including anticipated NIFA LITHC funding, with BRINSHORE DEVELOPMENT, LLC as the managing partner of the LIHTC development;

WHEREAS¸ the redevelopment plans provide for OHA or a related entity to retain ownership of the land, which would be leased to BRINSHORE DEVELOPMENT, LLC under a long-term lease (75 years) for a nominal rate;

WHEREAS, OHA staff recommends that the OHA Board of Commissioners authorizes OHA to enter into an option agreement for a long-term lease of the Evans Tower and Highland Tower lands at 3600 North 24th Street and 2500 B Street respectively to BRINSHORE DEVELOPMENT, LLC, or an affiliated entity, which option agreement may be terminated in the event that redevelopment plans do not move forward;

WHEREAS, a copy of the proposed option agreement is attached hereto;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Omaha Housing Authority hereby authorizes entering into an option agreement for a 75-year lease of the Evans Tower and Highland Tower properties to BRINSHORE DEVELOPMENT, LLC and, furthermore, hereby authorizes the OHA CEO, Joanie Balk, to take such actions and execute documents as necessary to effectuate the option agreement.

____
David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held on September 3, 2026.

____
Joanie Balk, Secretary
Housing Authority of the City of Omaha

6.5. Resolution 2026-62 Ground Lease, SST Senior

HOUSING AUTHORITY OF THE CITY OF OMAHA
REGULAR MEETING OF THE BOARD OF COMMISSIONERS

Resolution authorizing the Chief Executive Officer to execute and deliver all closing documents pertaining to the Southside Terrace Senior development, which is a Choice Neighborhoods Initiative transaction, and authorizing the Chief Executive Officer or her designee to take such other actions as the Chief Executive Officer deems necessary to carry out this resolution and closing.

RESOLUTION NO. 2026-62

WHEREAS, on September 15, 2022, the United States Department of Housing and Urban Development ("**HUD**") selected the Housing Authority of the City of Omaha ("**OHA**") and the City of Omaha to receive a Fiscal Year (FY) 2021 Choice Neighborhoods Initiative ("**CNI**") Implementation Grant to support the CNI Transformation Plan to redevelop and replace the public housing site known as Indian Hill in the Omaha neighborhood ("**Indian Hill**");

WHEREAS, OHA, the City, and Brinshore Development, L.L.C., a Nebraska limited liability company (the "**Developer**") entered into that certain Master Development Agreement dated as of May 1, 2024 (collectively, the "**Agreement**");

WHEREAS, pursuant to the Agreement, Developer, City and OHA are developing Indian Hill in multiple phases, including this next phase, which entails the development of an approximately forty-two (42) unit rental housing project, commonly known as "Southside Terrace Senior" (the "**Project**");

WHEREAS, OHA is the fee interest owner of the underlying real property of the Project (the "**Property**");

WHEREAS, OHA and Developer will construct approximately forty-two (42) units, of which thirty-three (33) will receive Low Income Housing Tax Credit (the "**LIHTC**") assistance, fifteen (15) will receive Section 8 Project Based Voucher ("**PBV**") assistance and nine (9) will be unrestricted market rate units (the "**Market Rate**");

WHEREAS, OHA will ground lease the Property to the Owner (the "**Owner**"), pursuant to a ground lease agreement (the "**Ground Lease**");

WHEREAS, OHA will provide a construction to permanent loan to the Owner with a portion of the CNI grant funds and disposition proceeds for the development of the Project (the "**OHA Loan**");

WHEREAS, the Owner has secured additional financing for the development of the Project, including, but not limited to, proceeds from tax exempt bonds, equity from the sale of low income housing tax credits, and construction/permanent financing from private lenders, the City, and the Nebraska Department of Economic Development (collectively with the OHA Loan, the "**Project Financing**");

WHEREAS, pursuant to the requirements of the CNI grant, OHA and the Owner will enter into a Declaration of Restrictive Covenants for the Choice Neighborhoods Initiative Program ensuring the long-term affordability of the Project and such other documents as required by HUD under the CNI program (collectively, the "**CNI Documents**");

WHEREAS, OHA will provide approximately fifteen (15) PBVs to the Owner pursuant to an Agreement to Enter into a Housing Assistance Payment Contract ("**AHAP**");

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Omaha have determined that it is in the best interest of OHA to undertake the Project and the transactions provided herein.

NOW, THEREFORE, BE IT RESOLVED THAT: The Board of Commissioners of the Housing Authority of the City of Omaha hereby authorizes and approves:

1. That Joanie Balk, the Chief Executive Officer of OHA, is hereby authorized, empowered and directed to enter the (i) Ground Lease, (ii) documents evidencing the OHA Loan, (iii) CNI Documents, (iv) AHAP, and any additional or ancillary documents, instruments, certifications, guarantees, and agreements required thereunder and to take such further actions to carry out the forgoing transactions and as may be necessary in connection with the closing of the Project or related thereto;

2. That Joanie Balk, the Chief Executive Officer of OHA, is authorized, empowered, and directed to negotiate and execute any and all necessary documents, agreements, and/or certifications necessary to complete and close with all financing partners with respect to the Project; and

3. That to the extent any of the actions authorized by this Resolution have already been taken, such actions are hereby ratified and confirmed as the valid actions of the OHA, effective as of the date such actions were taken.

Member	Yes	No	Abstain	Absent

Executed this __th day of _____, 2026.

CERTIFICATION OF RESOLUTION

I, __________, do hereby certify that this Resolution No. _________ was approved by the Board of Commissioners at a duly held and authorized meeting of the Board, that I am the person authorized to sign this certification, consistent with the State law and By-laws of the Board of Commissioners, and that the statements contained herein are a true and accurate account of the Board's action.

______________________________ ____
Date

7. ADDITIONAL ITEMS FOR CONSIDERATION

7.1. Resolution 2026-63 FY 2025 Audit

CliftonLarsonAllen LLP
CLAconnect.com

Management
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

In planning and performing our audit of the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our report on the financial statements dated August 10, 2026.

Tenant Security Deposits

During testing, CLA compared the balance of restricted cash held for tenant security deposits (FDS Line 114) to the related tenant security deposit liability (FDS Line 341). While performing this procedure, CLA noted that restricted cash held for tenant security deposits was less than the tenant security deposit liability by $52,565. In accordance with HUD requirements and sound internal control practices, housing authorities are required to maintain sufficient restricted cash to cover tenant security deposit liabilities.

We recommend management review security deposit cash and liabilities at least quarterly and ensure that sufficient cash is maintained in a separate bank account to cover the restricted liabilities.

Collateralization

CLA noted bank deposits with Horizon Bank were above the FDIC limit of $250,000 but did not have a collateralization agreement in place for these bank accounts as of December 31, 2025, in the amount of $17,311. This bank is not part of the Nebraska single bank deposit plan.

We recommend management perform a review of collateral held on deposits and ensure that all balances are adequately collateralized.

Outstanding Checks

During audit procedures over cash accounts, CLA noted over $530,000 of outstanding checks that were over 1 year old, with some dating back to 2014. It is Nebraska State Policy to report any undeposited checks to unclaimed property that over 1 year old.

CLA recommends management revisit these aged outstanding checks to determine what balances need to be written off and remitted to unclaimed property.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

CliftonLarsonAllen LLP
CLAconnect.com

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

We have audited the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and have issued our report thereon dated August 10, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated January 20, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

The Authority changed accounting policies related to Certain Risk Disclosures by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 102, *Certain Risk Disclosures.* Accordingly, the adoption of these statements resulted in changes to the footnote disclosure regarding risk.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- Material Weakness Over Financial Reporting – there were numerous adjusting journal entries recorded to reasonably state the Authority's financial statements. See finding 2025-001.

We have provided a separate communication to you dated [Date], communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 10, 2026.

With respect to the Financial Data Schedules (FDS) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 10, 2026.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Omaha Housing Authority
Business-Type Activities
Year Ended December 31, 2025

Description	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Net Position	Change in Net Position
Describe all current year misstatements below.	Debits/Credits - Amounts should be entered as debits (positive amounts) or credits (negative amounts). For example, increases to assets as debits, increases to liabilities as credits, decreases to net income as debits, and increases to net income as credits. Collapse this row (to the left) to print for attachment to management representation letter.					
Invoice paid in January 2026 that related to fiscal year ended December 31, 2025 that was not properly accrued in fiscal year 2025.	-	-	(136,748)	-	136,748	136,748
The capital asset rollforward provided by the client did not reconcile to the trial balance. The client rollforward balance was higher than what was recorded in the trial balance. This is indicative that the capital assets per the trial balance could be understated.	178,861	-	-	-	(178,861)	(178,861)
Spencer property was taken off the books in FY25 when it should have been disposed of during the CNI transaction years prior.	-	-	-	-	-	(618,487)
The gain/loss recorded regarding the transfer of AMPs Pine Tower and SCNE to Component Units River City Pine Tower and River City SCNE did not agree, causing an overstatement in gain/loss.	(284,283)	-	-	-	284,283	284,283
Prior year activity related to capital assets was improperly recorded, resulting in an overstatement of assets in the prior year. Amounts were run through In the current year as an expense.	-	-	-	-	(431,609)	(431,609)
Amounts disbursed subsequent to year-end that should have been accrued in accounts payable as of 12/31/25.	-	-	(701,138)	-	701,138	701,138
Interest earned on federal deposits that will be due back to the federal government has not been reflected as a liability in the trial balance.	-	-	(116,881)	-	116,881	116,881
Reconciliation difference for capital fund program grant revenue between eLOCCs draw reports and the trial balance. The trial balance was higher than the eLOCCs draws reconciliation.	-	-	-	-	72,056	72,056

Aged outstanding checks dating back to 2014 represent a potential understatement of cash. It is Nebraska state policy to report to unclaimed property after a year outstanding.	530,775	-	-	-	(530,775)	-
Potential overstatement of capital fund revenue due to revenue reconciliation not agreeing to the trial balance/	-	-	-	-	72,056	72,056
Invoices that should have been capitalized but were expensed.	216,308	-	-	-	(216,308)	(216,308)
CNI grant fund has ending net position when it is a reimbursable grant where revenues should match expenses.	-	-	-	-	(136,578)	(136,578)
CNIS grant funds were reconciled in the current year to ensure the fund had 0 in ending net position. This resulted in a write-off of prior year net position for CNIS (revenue is overstated)	-	-	-	-	-	307,278
Deferred Outflows of resources recorded for leases that do not exist.	(200,071)				200,071	200,071
Potential overstatement of current year expenses due to a prior period adjustment being ran through the fiscal year under audit.	-	-	-	-	102,136	102,136
Subtotals	441,590	-	(954,767)	-	191,238	410,804
Income tax effect (if applicable)						
Net current year misstatements (Iron Curtain Method)	441,590	-	(954,767)	-	191,238	410,804
Effect of prior year uncorrected misstatements on the change in fund balance/net position	-	-	312,475		(320,666)	(320,666)
Combined current and prior year misstatements (Rollover Method)	$ 441,590	$ -	$ (642,292)	$ -	$ (129,429)	$ 90,138
Financial statement totals	73,218,861	200,071	$ (7,186,018)	$ (3,324,391)	$ (62,908,523)	5,528,514
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	1%		13%		0%	7%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	1%		9%		0%	2%

OMISSION OF A DISCLOSURE, INCLUDING INADEQUATE OR INCOMPLETE DISCLOSURES, OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Guidance

Description	Amount (If Applicable)

Deferred outflows of resources are missing required disclosures and descriptions in the financial statement line item.	$ 200,071

Omaha Housing Authority

1823 Harney Street ~ Omaha, NE 68102 ~ 402.444.6900 ~ www.ohauthority.org

August 10, 2026
CliftonLarsonAllen LLP
801 Grand Ave Suite 3900
Des Moines, IA 50309

This representation letter is provided in connection with your audit of the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority), which comprises the financial position of the business-type activities as of December 31, 2025, and the changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of August 10, 2026, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2025.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 20, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the Authority's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

12. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.

13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

14. Agreements to repurchase assets previously sold have been properly disclosed.

15. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, Leases.

16. We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, Conduit Debt Obligations.

17. We have appropriately identified, recorded, and disclosed all subscription-based information technology arrangements in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Per our evaluation, we believe all SBITAs are immaterial and no entry was deemed necessary.

18. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

19. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

20. We believe that all material expenditures that have been deferred to future periods will be recoverable.

21. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, Compensated Absences.

22. We have appropriately identified and disclosed concentrations or constraints that exist in accordance with the requirements of GASB Statement No. 102, Certain Risk Disclosures.

Information Provided

1. We have provided you with:

a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.

f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.

g. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

a. Management;

b. Employees who have significant roles in internal control; or

c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We have taken timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse that you have reported to us.

12. We have a process to track the status of audit findings and recommendations.

13. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

14. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

15. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Authority, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

16. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

17. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

18. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

21. The financial statements properly classify all funds and activities.

22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

23. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

24. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

28. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

31. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

32. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

33. We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards and Financial Data Schedules (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

1. In regards to the nonattest services (drafting the financial statements, assisting with GASB implementation, providing adjusting journal entries, preparing the Data Collection Form and preparing the FDS REAC submission) performed by you, we have:

a. Made all management judgments and decisions and assumed all management responsibilities.

b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.

c. Evaluated the adequacy and results of the services performed.

d. Accepted responsibility for the results of the services.

e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

2. With respect to federal award programs:

a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.

b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period (or, if they have changed, the reasons for such change), and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We acknowledge our responsibility for taking reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information.

h. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

i. We have received no requests from a federal agency to audit one or more specific programs as a major program.

j. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

k. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.

m. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

n. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

o. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

p. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

q. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.

r. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.

s. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

t. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

u. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

v. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

w. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

x. We have charged costs to federal awards in accordance with applicable cost principles.

y. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

z. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

aa. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

bb. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

cc. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: Ashley Hatheway Title: CFO

Client: ***B131248 - Omaha Housing Authority***
Engagement: ***AUD25 - Housing Authority of the City of Omaha***
Period Ending: ***12/31/2025***
Trial Balance: ***0900.00 - Trial Balance***
Workpaper: ***0921.00 - Adjusting Journal Entry Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 2		**0924.00**		
PBC - Trish reclass for FDS purposes				
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		64,410.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			64,410.00
Total			**64,410.00**	**64,410.00**
Adjusting Journal Entries JE # 3		**0924.00**		
CLA made AJE on 5/20/26 to balance interfund. Adjusted through COCC.				
1cocc-144-0000	INTERFUND BALANCE		78,635.00	
1cocc-999-1000	PRIOR PERIOD ADJUSTMENT			78,635.00
Total			**78,635.00**	**78,635.00**
Adjusting Journal Entries JE # 5		**0924.00**		
CLA made RJE on 5/20/26 to reclass unnatural account balances for FDS reporting purposes.				
4home-916-1015	MISCELLANEOUS EXPENSE		91.00	
4rchc-922-0100	RELOCATION - INITIAL PAYMENT		60.00	
4rchc-922-0300	RELOCATION - MOVING EXPENSE		34.00	
6cnis-144-3000	INTER-FUND DUE FROM {COCC}		11,928.00	
6cnis-312-2100	ACCRUED FRONT-LINE FEES		434.00	
6cnp-144-3021	INTER-FUND DUE FROM {CNP GRANT}		10,936.00	
6fss25-142-0200	PREPAID MED FSA SEC 125		167.00	
8ehv-144-3012	INTER-FUND DUE FROM {HCV ADM}		422,390.00	
8ehv-347-1000	INTER-FUND DUE TO {COCC}		261.00	
8mr4-342-0010	Deferred Revenue - HUD Funds		139,578.00	
8mr4-919-0199	Other Misc Expense		14,721.00	
8mr4admn-919-0199	Other Misc Expense		6,208.00	
9ec-972-0200	CASUALTY LOSS CONTRACTS		281.00	
ct-125-0000	A/R OTHER		2,050.00	
ct-174-0300	LEASES RECEIVABLE		1,027.00	
ev-174-0300	LEASES RECEIVABLE		125,812.00	
ev-200-0100	DEFERRED OUTFLOW OF RESOURCES - CLA ADDED		167,534.00	
fl-130-0100	ST LEASE RECEIVABLE		27.00	
parkvill-114-0000	CASH - SECURITY DEPOSIT		236.00	
parkvill-964-0000	BAD DEBT EXPENSE		4,768.00	
pk-144-0001	INTER-FUND DUE FROM {PK/Parkvill Fixed Asset Transfer}		1,626,803.00	
pk-144-3000	INTER-FUND DUE FROM {COCC}		23,458.00	
pk-144-3017	INTER-FUND DUE FROM {PUB HSG}		174.00	
ps-704-0500	OTHER TENANT REVENUE		1,447.00	
pt-130-0100	ST LEASE RECEIVABLE		3,247.00	
rcpt-174-0300	LEASES RECEIVABLE		32,617.00	
rcpt-200-0100	DEFERRED OUTFLOW OF RESOURCES - CLA ADDED		32,537.00	
rcpt-345-0000	OTHER CURRENT LIABILITIES		3,247.00	
sckc-916-1015	MISCELLANEOUS EXPENSE		893.00	
scsw-113-0000	CASH - FSS ESCROW		23,663.00	
scsw-711-0200	INTEREST INCOME - OTHER		3,123.00	
sp-126-0000	ACCOUNTS RECEIVABLE TENANTS		133.00	
sp-916-1015	MISCELLANEOUS EXPENSE		472.00	
sp-964-0000	Bad Debt Expense		120.00	
4home-964-0000	Bad Debt Expense			91.00
4rchc-924-0000	YOUTH ACTIVITIES			94.00
6cnis-345-0300	A/P OTHER - INTER-PROPERTY			434.00
6cnis-347-1000	INTER-FUND DUE TO {COCC}			11,928.00
6cnp-347-1021	INTER-FUND DUE TO {CNP GRANT}			10,936.00
6fss25-345-0000	OTHER CURRENT LIABILITIES			167.00
8ehv-312-2000	ACCRUED MGMT & BKKPING FEE			261.00
8ehv-347-1012	INTER-FUND DUE TO {HCV ADM}			422,390.00
8mr4-706-0010	HOUSING ASST PAYMENTS			154,299.00
8mr4admn-706-0020	ONGOING ADMIN FEES EARNED			6,208.00
9ec-916-1015	MISCELLANEOUS EXPENSE			281.00
ct-126-0000	ACCOUNTS RECEIVABLE TENANTS			2,050.00
ct-130-0100	ST LEASE RECEIVABLE			1,027.00
ev-345-0000	OTHER CURRENT LIABILITIES			125,812.00
ev-400-0100	DEFERRED INFLOW OF RESOURCES			167,534.00
fl-174-0300	LEASES RECEIVABLE			27.00
parkvill-111-0100	CASH - OPERATING			236.00
parkvill-916-1015	MISCELLANEOUS EXPENSE			4,768.00
pk-347-1000	INTER-FUND DUE TO {COCC}			23,458.00
pk-347-1014	INTER-FUND DUE TO {PK/Parkvill Fixed Asset Transfer}			1,626,803.00
pk-347-1017	INTER-FUND DUE TO {PUB HSG}			174.00
ps-704-0700	FRAUD RECOVERY REVENUE			1,447.00
pt-174-0300	LEASES RECEIVABLE			3,247.00

rcpt-130-0100	ST LEASE RECEIVABLE		3,247.00
rcpt-345-0000	OTHER CURRENT LIABILITIES		32,617.00
rcpt-400-0100	DEFERRED INFLOW OF RESOURCES		32,537.00
sckc-715-0100	MISCELLANEOUS INCOME		893.00
scsw-111-0100	CASH - OPERATING		23,663.00
scsw-704-0700	FRAUD RECOVERY REVENUE		3,123.00
sp-126-0100	Allowance for A/R		120.00
sp-715-0100	MISCELLANEOUS INCOME		13.00
sp-943-2000	INSPECTIONS - CONTRACTED SERV		472.00
sp-961-0000	INSURANCE - LIABILITY		120.00
Total		**2,660,477.00**	**2,660,477.00**

Adjusting Journal Entries JE # 6 **0924.00**
CLA made AJE on 5/20/26 to account for Negative Cash through excess cash transfers and interfund (AMPS)

bn-111-0100	CASH - OPERATING	196,697.00	
ct-111-0100	CASH - OPERATING	67,907.00	
ev-111-0100	CASH - OPERATING	177,645.00	
fl-111-0100	CASH - OPERATING	80,212.00	
hl-111-0100	CASH - OPERATING	121,298.00	
jt-111-0100	CASH - OPERATING	1,091,275.00	
kj-111-0100	CASH - OPERATING	64,939.00	
phtaxcr-144-3017	INTER-FUND DUE FROM {PUB HSG}	1,586,159.00	
pk-111-0100	CASH - OPERATING	145,686.00	
ps-111-0100	CASH - OPERATING	354,628.00	
pt-111-0100	CASH - OPERATING	92,578.00	
scne-111-0100	CASH - OPERATING	232,655.00	
scnw-999-0192	Inter Project Excess Cash Transfer Out	269,524.00	
scse-999-0192	Inter Project Excess Cash Transfer Out	506,877.00	
scsw-999-0192	Inter Project Excess Cash Transfer Out	39,588.00	
sp-999-0192	Inter Project Excess Cash Transfer Out	178,116.00	
ss-111-0100	CASH - OPERATING	7,950.00	
timb-999-0192	Inter Project Excess Cash Transfer Out	169,533.00	
ut-111-0100	CASH - OPERATING	116,328.00	
bn-347-1017	INTER-FUND DUE TO {PUB HSG}		140,257.00
bn-999-0191	Inter Project Excess Cash Transfer In		56,440.00
ct-999-0191	Inter Project Excess Cash Transfer In		67,907.00
ev-999-0191	Inter Project Excess Cash Transfer In		177,645.00
fl-999-0191	Inter Project Excess Cash Transfer In		80,212.00
hl-999-0191	Inter Project Excess Cash Transfer In		121,298.00
jt-347-1017	INTER-FUND DUE TO {PUB HSG}		1,091,275.00
kj-999-0191	Inter Project Excess Cash Transfer In		64,939.00
phtaxcr-111-0100	CASH - OPERATING		1,586,159.00
pk-999-0191	Inter Project Excess Cash Transfer In		145,686.00
ps-347-1017	INTER-FUND DUE TO {PUB HSG}		354,628.00
pt-999-0191	Inter Project Excess Cash Transfer In		92,578.00
scne-999-0191	Inter Project Excess Cash Transfer In		232,655.00
scnw-111-0100	CASH - OPERATING		269,524.00
scse-111-0100	CASH - OPERATING		506,877.00
scsw-111-0100	CASH - OPERATING		39,588.00
sp-111-0100	CASH - OPERATING		178,116.00
ss-999-0191	Inter Project Excess Cash Transfer In		7,950.00
timb-111-0100	CASH - OPERATING		169,533.00
ut-999-0191	Inter Project Excess Cash Transfer In		116,328.00
Total		**5,499,595.00**	**5,499,595.00**

Adjusting Journal Entries JE # 9 **0924.00**
CLA made AJE on 5/20/26 to account for Excess Cash Transfers for Negative Cash

1it-354-0000	COMPENSATED ABSENCES-LONG TERM	3,807.00	
1pc-354-0000	COMPENSATED ABSENCES-LONG TERM	7,656.00	
1ps-354-0000	COMPENSATED ABSENCES-LONG TERM	6,817.00	
2hlb-354-0000	COMPENSATED ABSENCES-LONG TERM	589.00	
6cnis-354-0000	COMPENSATED ABSENCES-LONG TERM	427.00	
6fss24-354-0000	COMPENSATED ABSENCES-LONG TERM	28,662.00	
9bv-354-0000	COMPENSATED ABSENCES-LONG TERM	481.00	
9crown2-354-0000	COMPENSATED ABSENCES-LONG TERM	156.00	
9noah-354-0000	COMPENSATED ABSENCES-LONG TERM	151.00	
fl-354-0000	COMPENSATED ABSENCES-LONG TERM	361.00	
pk-354-0000	COMPENSATED ABSENCES-LONG TERM	226.00	
pt-354-0000	COMPENSATED ABSENCES-LONG TERM	30,387.00	
scsw-354-0000	COMPENSATED ABSENCES-LONG TERM	2,358.00	
ss-354-0000	COMPENSATED ABSENCES-LONG TERM	13,188.00	
villas-354-0000	COMPENSATED ABSENCES-LONG TERM	745.00	
1it-322-0000	COMPENSATED ABSENCES - CURRENT		3,807.00
1pc-322-0000	COMPENSATED ABSENCES - CURRENT		7,656.00
1ps-322-0000	COMPENSATED ABSENCES - CURRENT		6,817.00
2hlb-322-0000	COMPENSATED ABSENCES - CURRENT		589.00
6cnis-322-0000	COMPENSATED ABSENCES - CURRENT		427.00
6fss24-322-0000	COMPENSATED ABSENCES - CURRENT		28,662.00
9bv-322-0000	COMPENSATED ABSENCES - CURRENT		481.00
9crown2-322-0000	COMPENSATED ABSENCES - CURRENT		156.00
9noah-322-0000	COMPENSATED ABSENCES - CURRENT		151.00
fl-322-0000	COMPENSATED ABSENCES - CURRENT		361.00

pk-322-0000	COMPENSATED ABSENCES - CURRENT		226.00
pt-322-0000	COMPENSATED ABSENCES - CURRENT		30,387.00
scsw-322-0000	COMPENSATED ABSENCES - CURRENT		2,358.00
ss-322-0000	COMPENSATED ABSENCES - CURRENT		13,188.00
villas-322-0000	COMPENSATED ABSENCES - CURRENT		745.00
Total		**96,011.00**	**96,011.00**

Adjusting Journal Entries JE # 10 **0924.00a**
CLA made AJE on 5/20/26 to make roll equity and correct movement of CFP to the AMP's

1plumb-916-1015	MISCELLANEOUS EXPENSE	5.00	
1plumb-999-1000	PRIOR PERIOD ADJUSTMENT	34,414.00	
4found-916-1015	MISCELLANEOUS EXPENSE	2.00	
4hio-916-1015	MISCELLANEOUS EXPENSE	105.00	
4homeadm-916-1015	MISCELLANEOUS EXPENSE	1.00	
6arjt22-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	1,374,321.00	
6cfp20-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	132,222.00	
6cfp21-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	334,190.00	
6cfp22-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	78,768.00	
6cfp23-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	914,498.00	
6cfp24-706-0100	REVENUES - HUD CAPITAL - HARD COSTS	2,240,810.00	
6cnis-511-0100	RESTRICTED NET ASSETS	2.00	
6ross23-511-0100	RESTRICTED NET ASSETS	2.00	
8ehv-511-0100	RESTRICTED NET ASSETS	1.00	
8mvadmin-511-0100	RESTRICTED NET ASSETS	1.00	
8vo-916-1015	MISCELLANEOUS EXPENSE	3.00	
9bv-512-0040	CONTRA EQUITY	8,599.00	
9crown1-512-0040	CONTRA EQUITY	7,223.00	
9ec-512-0040	CONTRA EQUITY	19,252.00	
9far-512-0040	CONTRA EQUITY	776.00	
9noah-512-0040	CONTRA EQUITY	28,560.00	
annex-512-0040	CONTRA EQUITY	48,771.00	
bn-512-0040	CONTRA EQUITY	59,803.00	
bn-999-1000	PRIOR PERIOD ADJUSTMENT	6,331.00	
ct-511-0100	RESTRICTED NET ASSETS	3.00	
ct-512-0040	CONTRA EQUITY	75,960.00	
ev-511-0100	RESTRICTED NET ASSETS	2.00	
ev-512-0040	CONTRA EQUITY	61,173.00	
fl-512-0040	CONTRA EQUITY	117,581.00	
fl-916-1015	MISCELLANEOUS EXPENSE	3.00	
fl-999-1000	PRIOR PERIOD ADJUSTMENT	1,361.00	
hl-512-0040	CONTRA EQUITY	95,416.00	
hl-999-1000	PRIOR PERIOD ADJUSTMENT	178.00	
jt-511-0100	RESTRICTED NET ASSETS	3.00	
jt-512-0040	CONTRA EQUITY	1,968,211.00	
jt-999-1000	PRIOR PERIOD ADJUSTMENT	30,078.00	
kj-512-0040	CONTRA EQUITY	61,292.00	
kj-916-1015	MISCELLANEOUS EXPENSE	149.00	
kj-999-1000	PRIOR PERIOD ADJUSTMENT	4,125.00	
parkvill-916-1015	MISCELLANEOUS EXPENSE	1.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	19,252.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	28,560.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	7,223.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	8,599.00	
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN	776.00	
pk-512-0040	CONTRA EQUITY	45,681.00	
pk-916-1015	MISCELLANEOUS EXPENSE	1.00	
pk-999-1000	PRIOR PERIOD ADJUSTMENT	73,630.00	
ps-512-0040	CONTRA EQUITY	1,427,957.00	
ps-999-1000	PRIOR PERIOD ADJUSTMENT	4,534.00	
pt-511-0100	RESTRICTED NET ASSETS	2.00	
pt-512-0040	CONTRA EQUITY	140,766.00	
scmo-916-1015	MISCELLANEOUS EXPENSE	1.00	
scne-512-0040	CONTRA EQUITY	504,092.00	
scne-916-1015	MISCELLANEOUS EXPENSE	243.00	
scne-999-1000	PRIOR PERIOD ADJUSTMENT	6,859.00	
scnw-511-0100	RESTRICTED NET ASSETS	1.00	
scnw-512-0000	RETAINED EARNINGS	157,030.00	
scnw-512-0040	CONTRA EQUITY	68,079.00	
scse-512-0040	CONTRA EQUITY	161,626.00	
scsw-512-0040	CONTRA EQUITY	87,047.00	
scsw-916-1015	MISCELLANEOUS EXPENSE	1.00	
sp-512-0000	RETAINED EARNINGS	2,005.00	
ss-511-0100	RESTRICTED NET ASSETS	26.00	
ss-512-0000	RETAINED EARNINGS	2,475.00	
ut-511-0100	RESTRICTED NET ASSETS	93.00	
ut-512-0040	CONTRA EQUITY	86,943.00	
1plumb-511-0100	RESTRICTED NET ASSETS		5.00
1plumb-512-0000	RETAINED EARNINGS		34,414.00
4found-511-0100	RESTRICTED NET ASSETS		2.00
4hio-511-0100	RESTRICTED NET ASSETS		105.00
4homeadm-511-0100	RESTRICTED NET ASSETS		1.00
6arjt22-512-0040	CONTRA EQUITY		1,374,321.00

6cfp20-512-0040	CONTRA EQUITY		132,222.00
6cfp21-512-0040	CONTRA EQUITY		334,190.00
6cfp22-512-0040	CONTRA EQUITY		78,768.00
6cfp23-512-0040	CONTRA EQUITY		914,498.00
6cfp24-512-0040	CONTRA EQUITY		2,240,810.00
6cnis-916-1015	MISCELLANEOUS EXPENSE		2.00
6ross23-916-1015	MISCELLANEOUS EXPENSE		2.00
8ehv-916-1015	MISCELLANEOUS EXPENSE		1.00
8mvadmin-916-1015	MISCELLANEOUS EXPENSE		1.00
8vo-511-0100	RESTRICTED NET ASSETS		3.00
9bv-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		8,599.00
9crown1-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		7,223.00
9ec-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		19,252.00
9far-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		776.00
9noah-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		28,560.00
annex-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		48,771.00
bn-512-0000	RETAINED EARNINGS		6,331.00
bn-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		59,803.00
ct-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		75,960.00
ct-916-1015	MISCELLANEOUS EXPENSE		3.00
ev-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		61,173.00
ev-916-1015	MISCELLANEOUS EXPENSE		2.00
fl-511-0100	RESTRICTED NET ASSETS		3.00
fl-512-0000	RETAINED EARNINGS		1,361.00
fl-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		117,581.00
hl-512-0000	RETAINED EARNINGS		178.00
hl-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		95,416.00
jt-512-0000	RETAINED EARNINGS		30,078.00
jt-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		1,968,211.00
jt-916-1015	MISCELLANEOUS EXPENSE		3.00
kj-511-0100	RESTRICTED NET ASSETS		149.00
kj-512-0000	RETAINED EARNINGS		4,125.00
kj-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		61,292.00
parkvill-511-0100	RESTRICTED NET ASSETS		1.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		19,252.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		28,560.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		7,223.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		8,599.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		776.00
pk-511-0100	RESTRICTED NET ASSETS		1.00
pk-512-0000	RETAINED EARNINGS		73,630.00
pk-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		45,681.00
ps-512-0000	RETAINED EARNINGS		4,534.00
ps-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		1,427,957.00
pt-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		140,766.00
pt-916-1015	MISCELLANEOUS EXPENSE		2.00
scmo-511-0100	RESTRICTED NET ASSETS		1.00
scne-511-0100	RESTRICTED NET ASSETS		243.00
scne-512-0000	RETAINED EARNINGS		6,859.00
scne-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		504,092.00
scnw-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		68,079.00
scnw-916-1015	MISCELLANEOUS EXPENSE		1.00
scnw-999-1000	PRIOR PERIOD ADJUSTMENT		157,030.00
scse-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		161,626.00
scsw-511-0100	RESTRICTED NET ASSETS		1.00
scsw-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		87,047.00
sp-999-1000	PRIOR PERIOD ADJUSTMENT		2,005.00
ss-916-1015	MISCELLANEOUS EXPENSE		26.00
ss-999-1000	PRIOR PERIOD ADJUSTMENT		2,475.00
ut-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		86,943.00
ut-916-1015	MISCELLANEOUS EXPENSE		93.00
ev-512-0000	RETAINED EARNINGS		
ev-999-1000	PRIOR PERIOD ADJUSTMENT		
Total		**10,537,698.00**	**10,537,698.00**

Adjusting Journal Entries JE # 11 **2101.00**

CLA made AJE on 5/21/26 to properly classify funds due back to HUD.

8ehvadm-342-0010	Deferred Revenue - HUD Funds	124,250.00	
8ehvadm-974-0300	Other General Expenses	109,567.00	
8mr4-312-0000	ACCOUNTS PAYABLE	139,550.00	
8mr4-342-0010	Deferred Revenue - HUD Funds	70,525.00	
8mr4admn-312-0000	ACCOUNTS PAYABLE	16,546.00	
8mr4admn-342-0010	Deferred Revenue - HUD Funds	15,004.00	
8ehvadm-331-0000	ACCOUNTS PAYABLE - HUD PHA PROGRAMS		233,817.00
8mr4-331-0000	Due to HUD		139,550.00
8mr4-706-0010	HOUSING ASST PAYMENTS		70,525.00
8mr4admn-331-0000	Due to HUD		16,546.00
8mr4admn-706-0020	ONGOING ADMIN FEES EARNED		11,273.00
8mr4admn-919-0199	Other Misc Expense		3,731.00
Total		**475,442.00**	**475,442.00**

Adjusting Journal Entries JE # 12 **925.00**

PBC from Lindsey Anderson, Finance Manager, on May 27, 2026 to true up accounts receivable.

4hio-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,194.00	
4home-964-0000	Bad Debt Expense	92.00	
8ehv-126-0000	ACCOUNTS RECEIVABLE TENANTS	60.00	
8modckco-126-0000	ACCOUNTS RECEIVABLE TENANTS	4.00	
8mr4-126-0000	ACCOUNTS RECEIVABLE TENANTS	291.00	
8port-964-0000	Bad Debt Expense	1,488.00	
8portin-126-0000	ACCOUNTS RECEIVABLE TENANTS	1,233.00	
8protcv-126-0000	ACCOUNTS RECEIVABLE TENANTS	2,231.00	
8protect-964-0000	Bad Debt Expense	61.00	
8protfl-126-0000	ACCOUNTS RECEIVABLE TENANTS	4,148.00	
8vo-126-0000	ACCOUNTS RECEIVABLE TENANTS	20,189.00	
9bv-964-0000	BAD DEBT EXPENSE	1,348.00	
9crown1-126-0000	ACCOUNTS RECEIVABLE TENANTS	2,647.00	
9crown2-964-0000	Bad Debt Expense	2,697.00	
9ec-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,825.00	
9far-126-0000	ACCOUNTS RECEIVABLE TENANTS	5,616.00	
9kcc-126-0000	ACCOUNTS RECEIVABLE TENANTS	15,298.00	
9noah-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,577.00	
9sec-126-0000	ACCOUNTS RECEIVABLE TENANTS	16.00	
bn-964-0000	BAD DEBT EXPENSE	3,001.00	
ct-964-0000	BAD DEBT EXPENSE	3,704.00	
ev-126-0000	ACCOUNTS RECEIVABLE TENANTS	6,923.00	
fl-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,526.00	
hl-964-0000	BAD DEBT EXPENSE	4,054.00	
jt-964-0000	BAD DEBT EXPENSE	2,580.00	
kj-126-0000	ACCOUNTS RECEIVABLE TENANTS	4,360.00	
parkvill-964-0000	BAD DEBT EXPENSE	2,080.00	
pk-126-0000	ACCOUNTS RECEIVABLE TENANTS	414.00	
pn-964-0000	Bad Debt Expense	1,451.00	
ps-964-0000	BAD DEBT EXPENSE	9,702.00	
pt-964-0000	BAD DEBT EXPENSE	12,058.00	
scne-126-0000	ACCOUNTS RECEIVABLE TENANTS	20,897.00	
scnw-126-0000	ACCOUNTS RECEIVABLE TENANTS	23,483.00	
scse-964-0000	BAD DEBT EXPENSE	3,462.00	
scsw-126-0000	ACCOUNTS RECEIVABLE TENANTS	19,520.00	
sp-964-0000	Bad Debt Expense	7,141.00	
ss-964-0000	BAD DEBT EXPENSE	12,347.00	
ut-964-0000	BAD DEBT EXPENSE	3,781.00	
villas-126-0000	ACCOUNTS RECEIVABLE TENANTS	3,497.00	
4hio-964-0000	Bad Debt Expense		5,194.00
4home-126-0000	ACCOUNTS RECEIVABLE TENANTS		92.00
8ehv-964-0000	Bad Debt Expense		60.00
8modckco-964-0000	Bad Debt Expense		4.00
8mr4-964-0000	Bad Debt Expense		291.00
8port-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,488.00
8portin-964-0000	Bad Debt Expense		1,233.00
8protcv-964-0000	Bad Debt Expense		2,231.00
8protect-126-0000	ACCOUNTS RECEIVABLE TENANTS		61.00
8protfl-964-0000	Bad Debt Expense		4,148.00
8vo-964-0000	Bad Debt Expense		20,189.00
9bv-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,348.00
9crown1-964-0000	BAD DEBT EXPENSE		2,647.00
9crown2-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,697.00
9ec-964-0000	BAD DEBT EXPENSE		5,825.00
9far-964-0000	BAD DEBT EXPENSE		5,616.00
9kcc-964-0000	BAD DEBT EXPENSE		15,298.00
9noah-964-0000	BAD DEBT EXPENSE		3,577.00
9sec-964-0000	BAD DEBT EXPENSE		16.00
bn-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,001.00
ct-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,704.00
ev-964-0000	BAD DEBT EXPENSE		6,923.00
fl-964-0000	BAD DEBT EXPENSE		3,526.00
hl-126-0000	ACCOUNTS RECEIVABLE TENANTS		4,054.00
jt-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,580.00
kj-964-0000	BAD DEBT EXPENSE		4,360.00
parkvill-126-0000	ACCOUNTS RECEIVABLE TENANTS		2,080.00
pk-964-0000	BAD DEBT EXPENSE		414.00
pn-126-0000	ACCOUNTS RECEIVABLE TENANTS		1,451.00
ps-126-0000	ACCOUNTS RECEIVABLE TENANTS		9,702.00
pt-126-0000	ACCOUNTS RECEIVABLE TENANTS		12,058.00
scne-964-0000	BAD DEBT EXPENSE		20,897.00
scnw-964-0000	BAD DEBT EXPENSE		23,483.00
scse-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,462.00
scsw-964-0000	BAD DEBT EXPENSE		19,520.00
sp-126-0000	ACCOUNTS RECEIVABLE TENANTS		7,141.00
ss-126-0000	ACCOUNTS RECEIVABLE TENANTS		12,347.00
ut-126-0000	ACCOUNTS RECEIVABLE TENANTS		3,781.00
villas-964-0000	BAD DEBT EXPENSE		3,497.00
Total		**219,996.00**	**219,996.00**

Adjusting Journal Entries JE # 13 **0926.00**

PBC from Lindsey Anderson, Finance Manager, on May 26, 2026 to correct capital assets.

1con-166-2500	ACCUM DEPR - AUTOMOTIVE EQUIPMENT		10,689.00	
6cfp20-162-0200	CONTRACT WORK IN PROCESS		825.00	
6cfp23-512-0040	CONTRA EQUITY		825.00	
6cfp23-943-1710	EXTERIOR REPAIRS - CONTRACTED SERV		9,131.00	
6cfp23-943-2300	Fire Safety - Contracted Services		10,585.00	
6cfp24-943-1600	PLUMBING - CONTRACTED SERV		11,123.00	
6cfp24-943-1710	EXTERIOR REPAIRS - CONTRACTED SERV		15,700.00	
jt-166-2500	ACCUM DEPR - AUTOMOTIVE EQUIPMENT		29,538.00	
scne-166-0120	ACCUM DEPR - BUILDING IMPROVEMENTS		3,281.00	
scne-166-1000	ACCUM DEPR - DWELLING EQUIPMENT		1,266.00	
scne-916-1015	MISCELLANEOUS EXPENSE		2,808.00	
1con-164-0500	AUTOMOTIVE EQUIPMENT			10,689.00
6cfp20-512-0040	CONTRA EQUITY			825.00
6cfp23-162-0100	BUILDING IMPROVEMENTS			9,131.00
6cfp23-162-0200	CONTRACT WORK IN PROCESS			825.00
6cfp23-163-0000	DWELLING EQUIPMENT			10,585.00
6cfp24-163-0000	DWELLING EQUIPMENT			11,123.00
6cfp24-164-0000	SITE IMPROVEMENTS			15,700.00
jt-164-0500	AUTOMOTIVE EQUIPMENT			29,538.00
scne-162-0100	BUILDING IMPROVEMENTS			6,089.00
scne-163-0000	DWELLING EQUIPMENT			1,266.00
Total			**95,771.00**	**95,771.00**

Adjusting Journal Entries JE # 14		**0924.00**		
CLA made AJE on 5/20/26 to reflect CFP transfer from AMP to BCU on correct FDS line				
6cfp24-706-0100	REVENUES - HUD CAPITAL - HARD COSTS		64,410.00	
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		8,599.00	
9crown1-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		7,223.00	
9ec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		19,252.00	
9far-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		776.00	
9noah-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		28,560.00	
phtaxcr-973-0000	Housing Assistance Payments		64,410.00	
6cfp24-999-0040	TRANSFERS BET PROGRAMS & PROJECTS - OUT			64,410.00
9bv-708-0000	Other Government Grants			8,599.00
9crown1-708-000	Other Government Grants			7,223.00
9ec-708-0000	Other Government Grants			19,252.00
9far-708-0000	Other Government Grants			776.00
9noah-708-0000	Other Government Grants			28,560.00
phtaxcr-706-0100	REVENUES - HUD CAPITAL - HARD COSTS			64,410.00
6c-19cha-111-0100	CASH - OPERATING			
Total			**193,230.00**	**193,230.00**

Adjusting Journal Entries JE # 18		**4000.05**		
CLA posted journal entry on 6/15/2026 to the trial balance to eliminate loss and revenue from the sale of River City from business activities to blended component units.				
ELIM-71500	Miscellaneous Income		3,098,250.00	
ELIM-71600	Gain/Loss on Sale of Fixed Asset			3,098,250.00
Total			**3,098,250.00**	**3,098,250.00**

Adjusting Journal Entries JE # 19		**1350.05**		
In the fiscal year, OHA extended the terms of leases in which they were the lessor of cell towers. This resulted in an increased lease receivable and deferred inflow that was detected by the audit team. Booked July 11, 2026.				
bn-174-0300	LEASES RECEIVABLE		503,058.00	
ct-174-0300	LEASES RECEIVABLE		503,058.00	
kj-174-0300	LEASES RECEIVABLE		333,838.00	
bn-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			503,058.00
ct-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			503,058.00
kj-400-0000	DEFERRED INFLOW OF RESOURCES - CLA ADDED			333,838.00
Total			**1,339,954.00**	**1,339,954.00**

Adjusting Journal Entries JE # 21		**0927.00**		
PBC from Lindsey Anderson, Finance Manager, on June 12, 2026, to correct the capital assets entry for RCSCNE and SCNE.				
rcscne-715-0100	MISCELLANEOUS INCOME		8,561,555.00	
scne-166-0000	ACCUM DEPR - BUILDINGS		104.00	
rcscne-162-0000	BUILDINGS			8,561,555.00
scne-716-0000	GAIN/LOSS ON SALE OF FIXED ASSET			104.00
scne-162-0000	BUILDINGS			
Total			**8,561,659.00**	**8,561,659.00**

Adjusting Journal Entries JE # 25		**0928.00**		
During audit procedures, CLA identified a balance improperly recorded to contract retainage. Lindsey Anderson, Finance Manager, provided this entry on 7/8/26 to correct the balance.				
jt-345-0100	CONTRACT RETAINAGE		604,370.00	
jt-162-0200	CONTRACT WORK IN PROCESS			604,370.00
Total			**604,370.00**	**604,370.00**

Adjusting Journal Entries JE # 26		**3000.00**		
Entry to run the immaterial prior period adjustment through current year expenses. Posted by CLA on 7/14/26.				
1cocc-916-1015	MISCELLANEOUS EXPENSE		102,136.00	
1cocc-999-1000	PRIOR PERIOD ADJUSTMENT			102,136.00
Total			**102,136.00**	**102,136.00**

Adjusting Journal Entries JE # 30		**0100.20**		
AJE posted for rounding to correct note receivable in the financial statements.				
phtaxcr-916-1015	MISCELLANEOUS EXPENSE		1.00	
phtaxcr-171-0200	N/R BAYVIEW			1.00
Total			**1.00**	**1.00**
Adjusting Journal Entries JE # 31		**5000.04**		
7/28/26 - to capitalize window replacement invoices for Park South Tower from Meco-Henne that were expensed. The rest of the invoices for this project have been capitalized.				
ps-162-0100	BUILDING IMPROVEMENTS		353,067.00	
ps-943-1900	WINDOWS/DOORS REPL - CONTRACTED SERV			353,067.00
Total			**353,067.00**	**353,067.00**
Adjusting Journal Entries JE # 32		**0929.00**		
To correctly state CNIS Grant				
6cnis-123-0000	A/R OTHER GOVERNMENTS		1,415,321.00	
6cnis-911-0100	ADMIN CASUAL LABOR		52,165.00	
6cnis-916-1015	MISCELLANEOUS EXPENSE		71,350.00	
6cnis-922-0000	RELOCATION EXPENSES		99,342.00	
6cnis-924-0100	RESIDENT SERVICES EXPENSE		72.00	
6cnis-312-0000	ACCOUNTS PAYABLE			222,414.00
6cnis-708-0000	OTHER GOV'T GRANTS/DONATIONS			1,049,644.00
6cnis-916-1015	MISCELLANEOUS EXPENSE			365,677.00
6cnis-916-3001	IT SUPPORT - CONTR SERV			375.00
6cnis-943-0800	CLEANING - CONTRACTED SERV			140.00
Total			**1,638,250.00**	**1,638,250.00**
	Total Adjusting Journal Entries		**35,618,952.00**	**35,618,952.00**
	Total All Journal Entries		**35,618,952.00**	**35,618,952.00**

Client: ***B131248 - Omaha Housing Authority***
Engagement: ***AUD25 - Housing Authority of the City of Omaha***
Period Ending: ***12/31/2025***
Trial Balance: ***0900.00 - Trial Balance***
Workpaper: ***0922.00 - Reclassification Journal Entry Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 1		**0924.00**		
CLA made AJE on 5/23/26 to reflect OPs revenue transfered in from AMP to BCU				
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		35,837.00	
9crown1-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		59,729.00	
9crown2-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		52,077.00	
9ec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		124,417.00	
9far-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		91,728.00	
9kcc-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		102,742.00	
9noah-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		43,454.00	
9sec-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN		148.00	
phtaxcr-973-0000	Housing Assistance Payments		510,132.00	
9bv-708-0000	Other Government Grants			35,837.00
9crown1-708-000	Other Government Grants			59,729.00
9crown2-708-0000	Other Government Grants			52,077.00
9ec-708-0000	Other Government Grants			124,417.00
9far-708-0000	Other Government Grants			91,728.00
9kcc-708-0000	Other Government Grants			102,742.00
9noah-708-0000	Other Government Grants			43,454.00
9sec-708-0000	Other Government Grants			148.00
phtaxcr-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			510,132.00
Total			**1,020,264.00**	**1,020,264.00**
Reclassifying Journal Entries JE # 4		**0100.20**		
To reclass negative cash for BUSA				
1cocc-144-3010	INTER-FUND DUE FROM {VILLAS}		75,997.00	
ELIM-347	Inter Program - Due To		75,997.00	
villas-111-0100	CASH - OPERATING		75,997.00	
1cocc-111-0100	CASH - OPERATING			75,997.00
ELIM-144	Inter Program Due From			75,997.00
villas-347-1000	INTER-FUND DUE TO {COCC}			75,997.00
Total			**227,991.00**	**227,991.00**
Reclassifying Journal Entries JE # 7		**0924.00**		
CLA made RJE on 5/20/26 to reclass FSS payments from 97300 to 96200 for LIPH properties.				
9crown1-973-0000	HAP EXPENSE		3.00	
9ec-974-0300	Other General Expenses		400.00	
9kcc-973-0000	HAP EXPENSE		23.00	
hl-974-0300	Other General Expenses		374.00	
scne-974-0300	Other General Expenses		5,122.00	
scnw-974-0300	Other General Expenses		8,458.00	
scse-974-0300	Other General Expenses		800.00	
scsw-974-0300	Other General Expenses		4,295.00	
ss-974-0300	Other General Expenses		6,321.00	
9crown1-974-0300	Other General Expenses			3.00
9ec-973-0000	HAP EXPENSE			400.00
9kcc-974-0300	Other General Expenses			23.00
hl-973-0000	HAP EXPENSE			374.00
scne-973-0000	HAP EXPENSE			5,122.00
scnw-973-0000	HAP EXPENSE			8,458.00
scse-973-0000	HAP EXPENSE			800.00
scsw-973-0000	HAP EXPENSE			4,295.00
ss-973-0000	HAP EXPENSE			6,321.00
Total			**25,796.00**	**25,796.00**
Reclassifying Journal Entries JE # 8		**0924.00**		
CLA made RJE on 5/20/26 to reclass Utility reimbursement payments for LIPH from 97300 to 70300.				
9bv-704-0500	OTHER TENANT REVENUE		6,063.00	
9crown1-704-0500	OTHER TENANT REVENUE		3,876.00	
9crown2-704-0500	OTHER TENANT REVENUE		9,990.00	
9ec-704-0500	OTHER TENANT REVENUE		13,481.00	
9far-704-0500	OTHER TENANT REVENUE		9,458.00	
9kcc-704-0500	OTHER TENANT REVENUE		10,991.00	
9noah-704-0500	OTHER TENANT REVENUE		6,077.00	
pk-704-0500	OTHER TENANT REVENUE		7,814.00	
scne-704-0500	OTHER TENANT REVENUE		59,674.00	
scnw-704-0500	OTHER TENANT REVENUE		22,017.00	
scse-704-0500	OTHER TENANT REVENUE		39,298.00	
scsw-704-0500	OTHER TENANT REVENUE		28,546.00	
9bv-973-0500	UTILITY REIMBURSEMENT			6,063.00
9crown1-973-0500	UTILITY REIMBURSEMENT			3,876.00
9crown2-973-0500	UTILITY REIMBURSEMENT			9,990.00

9ec-973-0500	UTILITY REIMBURSEMENT			13,481.00
9far-973-0500	UTILITY REIMBURSEMENT			9,458.00
9kcc-973-0500	UTILITY REIMBURSEMENT			10,991.00
9noah-973-0500	UTILITY REIMBURSEMENT			6,077.00
pk-973-0500	UTILITY REIMBURSEMENT			7,814.00
scne-973-0500	UTILITY REIMBURSEMENT			59,674.00
scnw-973-0500	UTILITY REIMBURSEMENT			22,017.00
scse-973-0500	UTILITY REIMBURSEMENT			39,298.00
scsw-973-0500	UTILITY REIMBURSEMENT			28,546.00
Total			**217,285.00**	**217,285.00**
Reclassifying Journal Entries JE # 15		**0990.02**		
CLA posted this AJE on 6/10/2026 to reflect eliminations per the FDS in the trial balance.				
ELIM-10010	Operating transfer in		2,532,785.00	
ELIM-10091	Inter project excess cash transfer in		1,163,638.00	
ELIM-10093	Transfers between program and project - in		21,060.00	
ELIM-347	Inter Program - Due To		17,583,221.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		2,057,738.00	
ELIM-512.4	Unrestricted Net Position		2,296,065.00	
ELIM-70710	Management Fee		2,896,353.00	
ELIM-70730	Book Keeping Fee		567,180.00	
ELIM-70800	Other government grants		574,542.00	
ELIM-10020	Operating transfer out			2,532,785.00
ELIM-10092	Inter project excess cash transfer out			1,163,638.00
ELIM-10094	Transfers between program and project - out			21,060.00
ELIM-127	Notes, Loans, & Mortgages Receivable - Current			2,057,738.00
ELIM-144	Inter Program Due From			17,583,221.00
ELIM-176	Investments in Joint Ventures			2,296,065.00
ELIM-91300	Management Fee			2,896,353.00
ELIM-91310	Book-keeping Fee			567,180.00
ELIM-97300	Housing assistance payments			574,542.00
Total			**29,692,582.00**	**29,692,582.00**
Reclassifying Journal Entries JE # 16		**2500.01**		
CLA posted on 6/12/2026 to reflect additional eliminations of debt balances that were not reflected in the crosswalk.				
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		6,231,674.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		348,999.00	
ELIM-351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		1,001.00	
ELIM-127	Notes, Loans, & Mortgages Receivable - Current			1,001.00
ELIM-171	Notes, Loans and Mortgages Receivable - Non-Current			6,231,674.00
ELIM-171	Notes, Loans and Mortgages Receivable - Non-Current			348,999.00
Total			**6,581,674.00**	**6,581,674.00**
Reclassifying Journal Entries JE # 20		**81-AB03**		
CLA made RJE on 6/15/26 to reclass overages of EHV management and bookkeeping fees to other expenses.				
8ehvadm-974-0300	Other General Expenses		14,223.00	
8ehvadm-913-0000	MANAGEMENT FEE			6,247.00
8ehvadm-913-0020	BOOKKEEPING FEE			7,976.00
Total			**14,223.00**	**14,223.00**
Reclassifying Journal Entries JE # 22		**0100.20**		
CLA made RJE on 6/17/26 to adjust equity rollforward for rounding differences.				
2hlb-916-0950	OFFICE EXPENSE		1.00	
4found-916-1015	MISCELLANEOUS EXPENSE		1.00	
8mr4admn-916-1015	MISCELLANEOUS EXPENSE		1.00	
2hlb-512-0000	RETAINED EARNINGS			1.00
4found-512-0000	RETAINED EARNINGS			1.00
8mr4admn-512-0000	RETAINED EARNINGS			1.00
Total			**3.00**	**3.00**
Reclassifying Journal Entries JE # 23		**0100.20**		
Trivial entry to reclassify Interprogram not netting to $0.				
9bv-916-1015	MISCELLANEOUS EXPENSE		2.00	
parkvill-916-0100	LEGAL SERVICES - OUTSIDE		444.00	
9bv-999-0030	TRANSFERS BET PROGRAMS & PROJECTS - IN			2.00
parkvill-144-0001	INTER-FUND DUE FROM {PK/Parkvill Fixed Asset Transfer}			14.00
parkvill-347-1000	INTER-FUND DUE TO {COCC}			430.00
Total			**446.00**	**446.00**
Reclassifying Journal Entries JE # 24		**0100.20**		
FDS Purposes Only - to reclass immaterial unnatural balances				
BCU - 91300	Management Fee		6,248.00	
BCU - 91310	Book-keeping Fee		7,972.00	
BCU - 91600	Office Expenses			14,220.00
Total			**14,220.00**	**14,220.00**
Reclassifying Journal Entries JE # 27		**4000.08**		
Entry posted to eliminate fee revenue and expenses.				
Elim-70740	Front line service Fees		2,513,567.00	
ELIM-70750	Other Fees		119,090.00	
ELIM-91900	Other			98,635.00
ELIM-92400	Tenant Services - Other			2,268,803.00

Elim-94300	Other			20,455.00
ELIM-95100	Protective Services - Labor			244,764.00
Total			**2,632,657.00**	**2,632,657.00**
Reclassifying Journal Entries JE # 28		**0100.20**		
To reclassify operating transfer based on account balance direction.				
BCU-100020	Operating Transfer Out		64,408.00	
ELIM-10010	Operating transfer in		64,408.00	
BCU-100010	Operating Transfer In			64,408.00
ELIM-10020	Operating transfer out			64,408.00
Total			**128,816.00**	**128,816.00**
Reclassifying Journal Entries JE # 29		**1300.06**		
To reclass allowance for doubtful accounts for landlord overpayments to the correct FDS line				
8vo-125-1000	ALLOWANCE FOR DOUBTFUL OTHER A/R		154,213.00	
8vo-126-0100	Allowance for A/R			154,213.00
Total			**154,213.00**	**154,213.00**
	Total Reclassifying Journal Entries		**40,710,170.00**	**40,710,170.00**
	Total All Journal Entries		**40,710,170.00**	**40,710,170.00**

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
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YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedules (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

The Housing Authority of the City of Omaha, Nebraska (the Authority) management discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns. The focus of this MD&A is on the Primary Government of the Authority which includes all the financial activity of the Authority with the exception of its discretely presented component unit.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Overview of the Financial Statements

The basic financial statements in this report are those of a special purpose governmental entity engaged in a business type of activity. The following statements are included:

- Statement of Net Position – presents information about the Authority's assets, liabilities, and net position and is similar to a balance sheet. The Statement of Net Position reports all financial capital resources for the Authority. This statement is presented in the format where assets minus liabilities equals "Net Position", which is equivalent to equity in a commercial enterprise. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash or expected to be used up within one year), and "noncurrent". Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving.

- Statement of Revenues, Expenses, and Changes in Net Position – reports the Authority's revenues by source and type of its expenses by category to substantiate the change in net position for the fiscal year then ended.

- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, investing activities, noncapital financial activities, and capital and related financing activities.

Net Position is reported in three broad categories:

- Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

- Unrestricted Net Position: Consists of net position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types. The Authority consists of exclusively enterprise funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by business in the private sector. All of the activities of the Authority are reported in a single enterprise fund.

The Authority's Programs

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Omaha.

Public and Indian Housing

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Business Activities

The Authority owns non-federal housing units and various interests in low-income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low- and very low-income Americans; to strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Resident Opportunity and Supportive Services - Service Coordinators Program

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence, and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Mainstream Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families whose head of household has a disability. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Central Office Cost Center

The Central Office Cost Center (COCC) is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees, and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation

The purpose of the Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation is to aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants.

Choice Neighborhood Implementation Grant

The objective of the Choice Neighborhood Implementation Grant is to support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities to build the necessary support to successfully implement the plan.

Emergency Housing Vouchers Program

During the year ended December 31, 2021, the Authority was awarded Emergency Housing Vouchers. These funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Choice Neighborhood Planning Grant

The objective of the Choice Neighborhood Planning grant is to support the development of comprehensive neighborhood revitalization plans which focused on directing resources to address three core goals: Housing, People, and Neighborhoods. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. The Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

Financial Highlights

Total Assets and Deferred Outflows for fiscal year 2024 were $76,512,664 and for fiscal year 2025 the amount was $73,437,695. This represents an overall net decrease of $3,074,969 or 4%.

Cash and Cash Equivalents decreased from $10,743,670 in fiscal year 2024 to $7,973,323 in fiscal year 2025, or by $2,770,347 and 26%. The decrease is due to timing of receiving and spending of HUD funding.

Other Current Assets increased from $1,327,575 in fiscal year 2024 to $3,301,764 in fiscal year 2025, or by $1,974,189 and 149%. The increase is due to changes in receivable balances and timing of the draw down of funds.

Other Noncurrent Assets increased from $2,429,487 in fiscal year 2024 to $3,985,193 in fiscal year 2025, or by $1,555,706 and 64%. The increase is due to extended lease terms increasing lease receivables.

Capital Assets, Net decreased from $62,011,932 in fiscal year 2024 to $57,977,344 in fiscal year 2025, or by $4,034,588 and 7%. The decrease is the net amount of capital asset additions, disposals, and depreciation expense recognized during fiscal year 2025.

Current Liabilities increased from $2,815,693 in fiscal year 2024 to $3,851,401 in fiscal year 2025, or by $1,035,708 and 37%. The increase is primarily due to the timing of invoices and changes in accrued liabilities.

Deferred Inflows of Resources increased from $1,966,652 in fiscal year 2024 to $3,324,391 in fiscal year 2025, or by $1,357,739 and 69%. This is primarily due to changes in lease-related deferred inflows.

Analysis of Entity-Wide Assets and Liabilities (Statement of Net Position)

	2025	2024	Net Change	Percent Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and Cash Equivalents	$ 7,973,323	$ 10,743,670	$ (2,770,347)	(26)%
Other Current Assets	3,301,764	1,327,575	1,974,189	149 %
Other Noncurrent Assets	3,985,193	2,429,487	1,555,706	64 %
Capital Assets, Net	57,977,344	62,011,932	(4,034,588)	(7)%
Deferred Outflows of Resources	200,071	-	200,071	100 %
Total Assets and Deferred Outflows of Resources	$ 73,437,695	$ 76,512,664	$ (3,074,969)	(4)%
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities	$ 3,851,401	$ 2,815,693	$ 1,035,708	37 %
Noncurrent Liabilities	3,353,380	3,293,282	60,098	2 %
Deferred Inflows of Resources	3,324,391	1,966,652	1,357,739	69 %
Total Liabilities and Deferred Inflows of Resources	10,529,172	8,075,627	2,453,545	30 %
NET POSITION				
Net Investment in Capital Assets	38,457,455	57,662,411	(19,204,956)	(33)%
Restricted Net Position	2,816,185	4,688,765	(1,872,580)	(40)%
Unrestricted Net Position	21,634,883	6,085,861	15,549,022	255 %
Total Net Position	62,908,523	68,437,037	(5,528,514)	(8)%
Total Liabilities and Net Position	$ 73,437,695	$ 76,512,664	$ (3,074,969)	(4)%

Analysis of Capital Asset Activity

	2025	2024	Net Change	Percent Variance
Land	$ 8,299,144	$ 8,299,144	$ -	0 %
Buildings and Leasehold Improvements	194,707,699	208,011,219	(13,303,520)	(6)%
Furniture, Equipment, and Machinery	8,914,052	8,651,017	263,035	3 %
Construction in Progress	3,454,103	2,169,833	1,284,270	59 %
Total Capital Assets	215,374,998	227,131,213	(11,756,215)	(5)%
Less: Accumulated Depreciation	(157,397,654)	(165,119,281)	7,721,627	(5)%
Total Capital Assets, Net	$ 57,977,344	$ 62,011,932	$ (4,034,588)	(7)%

In fiscal year 2025, the Authority's net capital assets decreased from $62,011,932 to $57,977,344, a decrease of $4,034,588 or 7%. The decrease was primarily attributable to the disposal of the Spencer property and depreciation expense during the year.

Note 5 summarizes the activity of capital assets.

Analysis of Long-Term Debt

The Authority's notes payable at December 31, 2024 and 2025 amounted to $2.29 million and $2.24 million, respectively. There was a decrease in 2025 due to annual principal payments of $50,715.

Analysis of Entity-Wide Revenues

The Authority administers the following programs and the revenues generated from these programs during fiscal year ended 2025 were as follows:

Section 8 Housing Choice Vouchers (HCV)	$ 50,782,946
Emergency Housing Vouchers	892,496
Public and Indian Housing (LIPH)	15,992,439
Public Housing Capital Fund (CFP)	9,961,708
Choice Neighborhood Implementation Grant	2,414,900
Mainstream Vouchers (MV)	899,053
HOME Investment Partnership Program	164,681
PIH Family Self-Sufficiency Program	366,603
Lower Income HAP - Section 8 Moderate Rehabilitation	82,075
Blended Component Units	2,932,366
Business Activities	240,177
COCC	809,129
Total Revenues	$ 85,538,573

Total revenues for fiscal year 2024 were $77,437,469 as compared to $85,538,573 of total revenues for fiscal year 2025. This represents an increase of $8,101,104 or 10%. The majority of the increase was related to the Authority receiving more funding from HUD for federal programs.

Analysis of Entity-Wide Expenses

	2025	2024	Net Change	Percent Variance
Administrative	$ 12,717,296	$ 12,370,770	$ 346,526	3 %
Tenant Services	1,065,059	833,986	231,073	28 %
Utilities	2,943,559	3,144,977	(201,418)	(6)%
Maintenance	11,976,091	11,119,601	856,490	8 %
Protective Services	1,396,257	601,503	794,754	132 %
Insurance and General Expense	3,162,196	3,834,974	(672,778)	(18)%
Housing Assistance Payments	49,208,461	45,332,800	3,875,661	9 %
Depreciation Expense	8,528,122	8,488,550	39,572	0 %
Total Expenses	$ 90,997,041	$ 85,727,161	$ 5,269,880	6 %

Administrative expenditures for fiscal year 2024 were $12,370,770 as compared to $12,717,296 in fiscal year 2025. This represents an increase of $346,526 and 3%. This is primarily due to an increase in salaries and benefit costs and the rising prices of operating costs in the current year.

Maintenance expenditures for fiscal year 2024 were $11,119,601 as compared to $11,976,091 in fiscal year 2025. This represents an increase of $856,490 and 8%. This is primarily due to the Authority performing a higher amount of repairs and maintenance on properties in the current year.

Protective Services expenditures increased from $601,503 in 2024 to $1,396,257 in 2025, due to the need to the Authority completely outsourcing security to a contractor during the fiscal year.

Insurance and General expenditures for fiscal year 2024 were $3,834,974 as compared to $3,162,196 in fiscal year 2025. This represents a decrease of $672,778 and 18%. This is primarily due to a decrease in insurance and general costs during fiscal year 2025.

Housing assistance payments for fiscal year 2024 were $45,332,800 as compared to $49,208,461 in fiscal year 2025. This represents an increase of $3,875,661 and 9%. This is primarily due to an increase in vouchers issued and an increase in the average HAP payment paid to landlords during fiscal year 2025.

Depreciation expense for fiscal year 2024 was $8,488,550 as compared to $8,528,122 in fiscal year 2025. This represents an increase of $39,572. The difference is due to changes in capital asset activity and depreciation recognized during fiscal year 2025.

Financial Contact

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional information should be addressed to Ashley Hatheway, Chief Financial Officer of the Housing Authority of the City of Omaha, Nebraska.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash - Unrestricted	$ 3,736,431
Cash - Restricted	3,597,336
Tenant Security Deposits	639,556
Accounts Receivables, Net	2,651,233
Lease Receivable, Current	200,878
Prepaid Expenses	449,653
Total Current Assets	11,275,087
NONCURRENT ASSETS	
Other Assets	1,842
Lease Receivable, Noncurrent	3,633,351
Notes Receivable, Noncurrent	350,000
Capital Assets, Net	57,977,344
Total Noncurrent Assets	61,962,537
Total Assets	73,237,624
DEFERRED OUTFLOWS OF RESOURCES	200,071
Total Assets and Deferred Outflows of Resources	$ 73,437,695
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 823,195
Accrued Expenses	351,962
Tenant Security Deposits	692,121
Unearned Revenue	864,829
Notes Payable, Current	53,203
Other Current Liabilities	349,820
Accrued Compensated Absences, Current	326,358
Accounts Payable HUD	389,913
Total Current Liabilities	3,851,401
NONCURRENT LIABILITIES	
Accrued Compensated Absences, Noncurrent	516,076
Notes Payable, Noncurrent	2,187,862
Other Noncurrent Liabilities	649,442
Total Noncurrent Liabilities	3,353,380
Total Liabilities	7,204,781
DEFERRED INFLOWS OF RESOURCES	
Cell Tower Leases	3,324,391
NET POSITION	
Net Investment in Capital Assets	38,457,455
Restricted	2,816,185
Unrestricted	21,634,883
Total Net Position	62,908,523
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 73,437,695

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES	
Tenant Revenue	$ 8,462,669
HUD Operating Grants	65,866,456
Other Government Grants	2,564,610
Other Revenues	3,480,582
Total Operating Revenues	80,374,317
OPERATING EXPENSES	
Administrative	12,717,296
Tenant Services	1,065,059
Utilities	2,943,559
Ordinary Repairs and Maintenance	11,976,091
Protective Services	1,396,257
Insurance	1,679,937
General Expenses	1,322,592
Housing Assistance Payments	49,208,461
Casualty Losses - Noncapitalized	159,667
Depreciation	8,528,122
Total Operating Expenses	90,997,041
NET LOSS FROM OPERATIONS	(10,622,724)
NONOPERATING REVENUES (EXPENSES)	
Investment Income	116,881
Interest Expense	(70,046)
Loss on Disposal of Capital Assets	(87,763)
Nonoperating Revenues (Expenses), Net	(40,928)
NET LOSS BEFORE CAPITAL GRANTS	(10,663,652)
CAPITAL GRANTS	5,135,138
CHANGE IN NET POSITION	(5,528,514)
Net Position - Beginning of Year	68,437,037
NET POSITION - END OF YEAR	$ 62,908,523

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Collections from Tenants	$ 7,884,704
HUD Operating Grants Received	64,729,389
Other Income Receipts	5,562,821
Total Receipts	78,176,914
Disbursements:	
Payments to Employees for Wages and Benefits	(15,557,306)
Payments to Suppliers	(16,333,416)
Payments to Landlords	(49,208,461)
Total Disbursements	(81,099,183)
Net Cash Used by Operating Activities	(2,922,269)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Long-Term Debt	(50,715)
Interest Paid on Long-Term Debt	(70,046)
Proceeds from Capital Grants	5,135,138
Purchase of Capital Assets	(6,285,413)
Issuance of Notes Receivable	(350,000)
Proceeds from Sale of Capital Assets	1,704,116
Lease Payments Received	68,842
Net Cash Provided by Capital and Related Financing Activities	151,922
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(2,770,347)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	10,743,670
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 7,973,323
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION	
Cash - Unrestricted	$ 3,736,431
Cash - Restricted	3,597,336
Tenant Security Deposits	639,556
Total Cash, Cash Equivalents, and Restricted Cash	$ 7,973,323

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (10,622,724)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	8,528,122
(Increase) Decrease in Assets:	
Accounts Receivable - PHA Projects	(55,344)
Accounts Receivable - Other Govt	(1,471,636)
Accounts Receivable - Miscellaneous	(313,895)
Accounts Receivable - Tenants	(13,907)
Prepaid Expenses	(119,407)
Increase (Decrease) in Liabilities:	
Accounts Payable	(92,962)
Accrued Salaries and Benefits	16,705
Accrued Compensated Absences	230,347
Accounts Payable - HUD	389,913
Unearned Revenue	309,937
Tenant Security Deposits	(18,741)
Other Current Liabilities	254,704
Noncurrent Liabilities - Other	56,619
Net Cash Used by Operating Activities	$ (2,922,269)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Housing Authority of the City of Omaha, Nebraska (the Authority) is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives for low- and moderate-income families residing in the City of Omaha, Nebraska (the City). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of seven members who serve five-year terms. The governing board is essentially autonomous but responsible to HUD. An Executive Director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

Basis of Accounting/Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* (GASB 34), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. GASB 34 also requires the Authority to include management's discussion and analysis as part of the required supplementary information.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Financial Statement Presentation (Continued)

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, (GASB 33) grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments (HAP) under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported on HUD's Financial Data Schedule (FDS) as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to $500 on these funds may be retained by the Authority. Amounts in excess of $500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Funds

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Authority maintains the following type of proprietary fund:

Enterprise Fund

The Authority's operations are presented as a single enterprise fund. The transactions for each of the programs of the Authority are accounted for in separate funds for internal purposes and grant requirements and combined into one enterprise fund for external financial reporting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, (GASB 61) the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate, tax- exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes blended component units.

The Authority's blended component units are, although legally separate entities, in substance part of the Authority's operations and so data from these units are combined with data of the primary government and reflected in the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. As of December 31, 2025, the Authority's blended component units consisted of the following:

- Housing in Omaha, Inc.
- Omaha Crown Limited Partnership I
- Omaha Crown Limited Partnership II
- Strehlow Housing Partners Limited Partnership
- North Omaha Affordable Housing Limited Partnership
- 1613 Farnam Street Limited Liability Company
- 1234 South 13th Street Limited Liability Company
- Securities Building Limited Partnership
- Keystone Crown I, LP
- River City Housing Connections, which includes Pine Tower RC Housing, LLC and Scattered Sites RC Housing, LLC

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Resident Opportunity and Supportive Services Program / Service Coordinators (ROSS)

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Business Activities

The Authority owns non-federal housing units and various interests in low-income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low- and very low-income Americans; to strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Mainstream Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families whose head of household has a disability. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Central Office Cost Center

The Central Office Cost Center (COCC) is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation

The purpose of the Lower Income Housing Assistance Program - Section 8 Modification Rehabilitation is to aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

Choice Neighborhood Implementation Grant

The objective of the Choice Neighborhood Implementation Grant is to support the development of comprehensive neighborhood Transformation Plans. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities to build the necessary support to successfully implement the plan.

Emergency Housing Vouchers Program

During the year ended December 31, 2025, the Authority was awarded Emergency Housing Vouchers. These funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Choice Neighborhood Planning Grant

The objective of the Choice Neighborhood Planning grant is to support the development of comprehensive neighborhood revitalization plans which focused on directing resources to address three core goals: Housing, People, and Neighborhoods. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. The Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates.

Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or law. The assets that are restricted include the following:

Restricted Cash

Restricted cash consists of bank accounts that have been established din order to ensure the availability of funds to pay family self-sufficiency program participants, to repay tenant security deposits, to pay housing assistance payments to landlords, and reserve for replacements.

Receivables

Receivables consist of revenues earned during the fiscal year and not yet received. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled but earned as of year-end. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs, and reimbursement receivables from various parties in the normal course of business.

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants.

Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of affordable housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

Lease Receivable

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

Buildings	5 to 27.5 Years
Furniture and Equipment	5 to 15 Years
Site Improvements	7 to 27.5 Years

The Authority has established a capitalization threshold of $5,000.

Impairment of Long-Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended December 31, 2025, no impairment losses were recognized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inter-Program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

Unearned Revenue

The Authority's unearned revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

Accrued Compensated Absences

The liability for compensated absences reported in the statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

Net Position Classifications

Net position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Classifications (Continued)

Restricted Net Position – Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

Taxes

The Authority is a unit of local government under Nebraska law and is exempt from real estate, sales, and income taxes.

Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs received federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year-end or at the end of grant periods.

Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition, and tenant income. For the year ended December 31, 2025, rental revenue earned by the Authority under the aforementioned leases totaled $8,462,669.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving subsidies.

NOTE 2 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

As of December 31, 2025, the Authority had funds on deposit in checking, savings, and money market accounts. As of December 31, 2025, the carrying amount of the Authority's cash (on deposit) was $7,973,323 and the bank balances were $9,308,117. Cash and cash equivalents consist of the following:

Unrestricted	$ 3,736,431
Tenant Security Deposits	639,556
Restricted	3,597,336
Total Cash, Cash Equivalents, and Restricted Cash	$ 7,973,323

Of the bank balances of $9,308,117, $869,388 was covered by federal depository insurance, $1,045,488 was covered by additional collateral coverage, $7,375,930 was covered by the Nebraska Single-Bank Pooled Collateral Program pursuant to Nebraska Rev.Stat. Section 77-2398(2)(b)(ii), and $17,311 was not collateralized as of December 31, 2025.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, the Authority's bank balances of $17,311 was exposed to custodial credit risk.

NOTE 3 ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at December 31, 2025:

Accounts Receivable - Tenants, Net	$ 44,575
Accounts Receivable - Other Government	1,932,641
Accounts Receivable - Miscellaneous, Net	674,017
Net Accounts Receivable	$ 2,651,233

Accounts Receivable - Tenants

Accounts receivable - tenants represents amounts due for tenant rents and other tenant charges. At December 31, 2025, the balance is shown net of an allowance for doubtful accounts of $1,127,979.

NOTE 3 ACCOUNTS RECEIVABLE, NET (CONTINUED)

Accounts Receivable - Other Government

Accounts receivable - other government consists of amounts due from other housing authorities for portable tenants in the Section 8 Housing Choice Vouchers program and from other governmental agencies for unreimbursed grant expenditures. Management estimates that these amounts are fully collectible and as such, no allowance for doubtful accounts is recorded.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed from managed properties, landlord overpayments, and other miscellaneous sources from normal ongoing operations.

At December 31, 2025, the balance is shown net of an allowance for doubtful accounts of $1,870,792.

NOTE 4 RESTRICTED DEPOSITS

Restricted deposits consists of the following as of December 31, 2025:

Restricted for Modernization and Development	$ 2,086,140
Operating Reserves	372,436
Section 8 Programs	736
Family Self Sufficiency Program Escrows	763,296
Homeownership Escrows	374,728
Tenant Security Deposits	639,556
Total Restricted Deposits	$ 4,236,892

Restricted funds for modernization and development in the public housing program are restricted for the revitalization and rehabilitation of public housing units.

Operating reserves represent funds that are restricted to cover operating deficits of various projects.

Section 8 programs represent funds that are restricted for voucher assistance.

Family Self Sufficiency (FSS) program escrows are restricted for use in the Section 8 Housing Choice Vouchers program by FSS program participants.

Homeownership escrows represent funds that are restricted to cover costs associated with homeownership.

Tenant security deposits represent amounts held in escrow on behalf of tenants to cover any unpaid rent or damages to the Authority owned unit.

NOTE 5 CAPITAL ASSETS, NET

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 8,299,144	$ -	$ -	$ -	$ 8,299,144
Construction in Progress	2,169,833	2,661,876	(910,669)	(466,937)	3,454,103
Total Capital Assets, Not Being Depreciated	10,468,977	2,661,876	(910,669)	(466,937)	11,753,247
Capital Assets Being Depreciated:					
Buildings	202,881,540	2,393,857	(6,482,681)	(9,251,904)	189,540,812
Leasehold Improvements	5,129,679	65,025	(37,689)	9,872	5,166,887
Furniture and Equipment	8,651,017	1,164,655	(1,097,750)	196,130	8,914,052
Total Capital Assets, Being Depreciated	216,662,236	3,623,537	(7,618,120)	(9,045,902)	203,621,751
Total Capital Assets	227,131,213	6,285,413	(8,528,789)	(9,512,839)	215,374,998
Less: Accumulated Depreciation	(165,119,281)	(8,528,122)	6,736,910	9,512,839	(157,397,654)
Capital Assets, Net	$ 62,011,932	$ (2,242,709)	$ (1,791,879)	$ -	$ 57,977,344

Depreciation expense for the year ended December 31, 2025, amounted to $8,528,122.

Transfers represent assets transferred from public housing projects to the River City Housing Connections, a blended component unit. The decrease represents the change in net book value at the time of the transfer.

NOTE 6 NOTES RECEIVABLE

The Authority has notes receivable (including accrued interest) related to the redevelopment of affordable housing units at December 31, 2025 in the amount of $4,921,813. The notes receivable are shown net of an allowance for uncollectable amounts of $4,571,812 and consist of the following:

Description	Amount
The Authority issued a $3,881,598 loan to Mercy Timbercreek, LLC (the LLC), an affiliated limited liability company, to assist in the development of a low- to moderate-income housing complex known as Timbercreek Apartments. The principal amount and any unpaid accrued interest are payable only from net available cash flows of the LLC, as defined in the repayment agreement, with any outstanding principal and accrued interest due upon maturity. The note is secured by a deed of trust on the property, which is subordinate to a senior mortgage on the property.	$ 3,881,598

NOTE 6 NOTES RECEIVABLE (CONTINUED)

Description (Continued)	Amount
The second mortgage notes consist of mortgages due from homeowners. These mortgages do not bear interest and are forgiven over the lives of the loans as long as the homeowners meet the home ownership program requirements. They are secured by the underlying property.	$ 690,214
On December 8, 2025, the Authority loaned Kennedy East Market, LLC $350,000 via River City Housing Connections for a low-income rental housing project. The loan is secured by a leasehold deed of trust, security agreement, assignment of leases, rents, and fixture filing. The note only bears interest in the event of default and is due in full on March 30, 2063.	350,000
Total	4,921,812
Less: Allowance for Uncollectible Amounts	(4,571,812)
Total Notes Receivable, Net	$ 350,000

NOTE 7 LEASES RECEIVABLE

Leases receivables represent leases for which the Authority rents space to outside parties. Leases receivable are included in other assets on the statement of net position.

In December 2015, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company d/b/a Verizon Wireless for the lease of rooftop space on Florence Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for five additional five-year terms. As of December 31, 2025, the value of the lease receivable was $594,503. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,444, increasing by 3% each year. For the year ended December 31, 2025, the Authority received principal payments of $8,490 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $541,589. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $24,618.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

In December 2014, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company d/b/a Verizon Wireless for the lease of rooftop space on Benson Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for five additional five-year terms. As of December 31, 2025, the value of the lease receivable was $579,881. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,373, increasing by 3% each year. For the year ended December 31, 2025, the Authority received principal payments of $9,727 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025 was $468,853. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $24,676.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with T-Mobile Central, LLC for the lease of rooftop space on Benson Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for one additional five-year term. As of December 31, 2025, the value of the lease receivable was $539,554. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,000, increasing by 10% at the beginning of the renewal term. For the year ended December 31, 2025, the Authority received principal payments of $24,254 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $638,113. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $20,643. In 2025, the lease was extended through 2052.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with Omaha Cellular Telephone Company dba Verizon Wireless for the lease of rooftop space on Pine Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $437,455. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,833, increasing by 10% at the beginning of each renewal term. For the year ended December 31, 2025, the Authority received principal payments of $6,746 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $311,740. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,336.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

On April 6, 2005, the Authority entered into a lease agreement as a lessor with OUSCOC of Greater Iowa, Inc. a Pennsylvania corporation, dba US Cellular, Inc. for the lease of rooftop space on Crown Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $128,900. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,706 for the first 15 years, increasing to $2,156 for the next five years and finally increasing to $2,604 for the remaining five years. For the year ended December 31, 2025, the Authority received principal payments of $24,933 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $63,952. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $14,758.

On July 7, 2017, the Authority entered into a lease agreement as a lessor with T-Mobile Central, LLC for the lease of rooftop space on Crown Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for one additional five-year term. As of December 31, 2025, the value of the lease receivable was $549,250. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $2,000, increasing by 10% at the beginning of the renewal term. For the year ended December 31, 2025, the Authority received principal payments of $24,254 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $538,336. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $20,643. In 2025, the lease was extended through 2052.

On November 27, 2006, the Authority entered into a lease agreement as a lessor with Sprint Spectrum, LP for the lease of rooftop space on Kay Jay Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $488,382. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,700 for the first five years, increasing to $2,040 for the next five years and finally increasing to $2,448 for the remaining 15 years. For the year ended December 31, 2025, the Authority received principal payments of $22,699 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $433,569. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,201. In 2025, the Authority extended the lease through 2042.

NOTE 7 LEASES RECEIVABLE (CONTINUED)

In August 2002, the Authority entered into a lease agreement as a lessor with USCOC of Greater Iowa, d/b/a US Cellular, Inc. for the lease of rooftop space on Florence Tower. The term of the lease was for 25 years from the commencement date. As of December 31, 2025, the value of the lease receivable was $40,738. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,706 for the first 15 years which was increased to $1,806 during year 11, increasing to $2,256 for the next five years and finally increasing to $2,604 for the remaining five years. For the year ended December 31, 2025, the Authority received principal payments of $29,711 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $24,456. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $14,674.

In May 2013, the Authority entered into a lease agreement as a lessor with New Cingular Wireless PCS, LLC for the lease of rooftop space on Underwood Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $319,096. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,600 increasing 3% every year. For the year ended December 31, 2025, the Authority received principal payments of $13,970 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $206,580. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,637.

In November 2006, the Authority entered into a lease agreement as a lessor with Sprint Spectrum, LP for the lease of rooftop space on Pine Tower. The term of the lease was for five years from the commencement date, with an option to renew the lease for four additional five-year terms. As of December 31, 2025, the value of the lease receivable was $156,470. Beginning on the commencement of the lease term, monthly rent shall be paid to the Authority in the amount of $1,700 for the first five years, increasing by 10% every five years, increasing to $2,040 for the next five years and finally increasing to $2,448 for the remaining 15 years. For the year ended December 31, 2025, the Authority received principal payments of $22,624 on the lease. The implicit interest rate on the lease was 4%. The value of the deferred inflows of resources as of December 31, 2025, was $97,203. For the year ended December 31, 2025, the Authority recognized lease revenue on the lease in the amount of $16,201.

Total Lease Receivable	$	3,834,229
Less: Current Portion		(200,878)
Lease Receivable, Net of Current Portion	$	3,633,351

NOTE 8 OTHER CURRENT AND NONCURRENT LIABILITIES

Other current and non-current liabilities for the year ended December 31, 2025 consist of the following:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable	$ 2,291,780	$ -	$ (50,715)	$ 2,241,065	$ 53,203
Accrued Compensated Absences	612,087	696,106	(465,759)	842,434	326,358
FSS Escrows	592,823	62,096	(5,477)	649,442	-
Total	$ 3,496,690	$ 758,202	$ (521,951)	$ 3,732,941	$ 379,561

Family Self-Sufficiency (FSS) Liability represents escrow balances accumulated for participants enrolled in the Family Self-Sufficiency Program. These amounts are payable to participants upon successful completion of program requirements.

Compensated absences activity for the year ended December 31, 2025 consisted of the following:

Beginning Compensated Absences	$ 612,087
Compensated Absences Earned	696,106
Compensated Absences Redeemed	(465,759)
Ending Compensated Absences	842,434
Less: Current Portion	(326,358)
Compensated Absences, Noncurrent	$ 516,076

NOTE 9 LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2025:

Description	Amount
The Authority entered into a CDBG loan with the City of Omaha, in the original principal amount of $102,000. The loan is collateralized by a security interest in 1234 South 13th St. LLC. The loan is noninterest bearing with monthly payments of $238 which began in January 2021. The loan matures in January 2051.	$ 102,000
The Authority has entered into a CDBG mortgage note payable with the City of Omaha Planning Department, in the original amount of $400,000. The loan is secured by Omaha Crown Limited Partnership I property and equipment. The loan bears interest 1 1% per annum with monthly payments of $1,287, maturing in December 2047. Interest in the current period totaled $4,000.	400,000

NOTE 9 LONG-TERM DEBT (CONTINUED)

Description (Continued)	Amount
The Authority has entered into a HOME Loan with the City of Omaha, Nebraska, in the original amount of $300,000. The loan is collateralized by a security interest in 1613 Farnam St. LLC and is noninterest bearing. The loan has monthly payments of $833 which began in January 2021 and will mature on December 1, 2050.	$ 300,000
The Authority has entered into a note payable with Access Bank, in the original amount of $1,760,000. The note is secured by an interest in the central office building and bears interest at 4.71% per annum. The note has monthly payments of $10,063, with a balloon payment due at maturity in the amounts of $1,301,425. The note matures on August 2, 2028. Interest in the current period totaled $66,046.	1,439,065
Total	2,241,065
Less: Current Portion	(53,203)
Total Long-Term Debt, Net	$ 2,187,862

Annual debt service for principal over the next five years and in five-year increments thereafter is as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 53,203	$ 74,034	$ 127,237
2027	55,800	71,558	127,358
2028	1,330,062	68,961	1,399,023
2029	-	45,921	45,921
2030	-	4,000	4,000
2031-2035	-	20,000	20,000
2036-2040	-	20,000	20,000
2041-2045	-	20,000	20,000
2046-2050	700,000	12,000	712,000
2051-2054	102,000	-	102,000
Total	$ 2,241,065	$ 336,474	$ 2,577,539

NOTE 10 CONDUIT DEBT

The Authority has issued bonds to provide financing for multifamily housing. The Authority is not obligated to make any payments on the bonds and all liability lies with the property. The property is not a component unit or entity in the Authority's financial statements.

Issue Date	Bond/Note Title	Original Issue Amount	Amount Outstanding
May 4, 2023	CPT Burts Apartments 23,	$ 12,000,000	$ 12,000,000
October 10, 2025	Central at Columbus Park	28,000,000	28,000,000
November 13, 2025	Pine Tower, LLC	18,200,000	18,200,000

NOTE 11 RESTRICTED NET POSITION

Restricted net position consists of the following at December 31, 2025:

Restricted for Modernization and Development	$ 2,086,140
Reserves for Replacement	357,609
Operating Reserves	372,436
Total Restricted Net Position	$ 2,816,185

Restricted funds for modernization in the public housing program are restricted for the revitalization and rehabilitation of public housing units.

Reserves for replacement are restricted for use in the tax credit entities, for modernization of existing public housing units and/or development of new public housing units.

Operating reserves represent funds that are restricted in the case the project or program encounters an operating deficit.

NOTE 12 CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS

	Housing in Omaha, Inc.	1234 South 13th Street LLC	Omaha Crown LP I	Omaha Crown LP II
Assets:				
Current Assets	$ 3,032,682	$ 158,872	$ 329,779	$ 160,370
Capital Assets, Net	693,381	691,711	619,585	349,066
Other Noncurrent Assets	2,885,535	1,510	-	1,510
Total Assets	$ 6,611,598	$ 852,093	$ 949,364	$ 510,946
Liabilities:				
Current	$ 251,217	$ 354,253	$ 321,693	$ 196,984
Noncurrent	-	608,497	653,388	161,691
Total Liabilities	251,217	962,750	975,081	358,675
Net Position:				
Net Investment in Capital Assets	693,381	97,958	(33,401)	187,503
Restricted	-	14,280	346	-
Unrestricted	5,667,000	(222,895)	7,338	(35,232)
Total Liabilities and Net Position	$ 6,611,598	$ 852,093	$ 949,364	$ 510,946

	Strehlow Housing Partners LP	1613 Farnam Street LLC	Keystone Crown I, LP	North Omaha Affordable Housing LP
Assets:				
Current Assets	$ 364,921	$ 116,675	$ 395,836	$ 615,768
Capital Assets, Net	3,985,750	1,541,978	2,591,373	1,462,011
Other Noncurrent Assets	754	1,510	-	1,088
Total Assets	$ 4,351,425	$ 1,660,163	$ 2,987,209	$ 2,078,867
Liabilities:				
Current	$ 1,972,722	$ 910,106	$ 441,044	$ 270,454
Noncurrent	2,905,446	1,852,244	2,355,843	944,563
Total Liabilities	4,878,168	2,762,350	2,796,887	1,215,017
Net Position:				
Net Investment in Capital Assets	1,096,962	(308,728)	241,372	518,395
Restricted	82,776	758	4,143	308,490
Unrestricted	(1,706,481)	(794,217)	(55,193)	36,965
Total Liabilities and Net Position	$ 4,351,425	$ 1,660,163	$ 2,987,209	$ 2,078,867

	Securities Building LP	River City Housing Connections	Pine Tower RC Housing, LLC	Scattered Sites RC Housing, LLC	Total Blended Component Units
Assets:					
Current Assets	$ 346,225	$ 1,244,311	$ 86,526	$ -	$ 6,851,965
Capital Assets, Net	-	-	1,874,685	1,492,226	15,301,766
Other Noncurrent Assets	-	350,000	32,537	-	3,274,444
Total Assets	$ 346,225	$ 1,594,311	$ 1,993,748	$ 1,492,226	$ 25,428,175
Liabilities:					
Current	$ (129)	$ 834	$ 29,370	$ 18,763	$ 4,767,311
Noncurrent	-	-	-	-	9,481,672
Total Liabilities	(129)	834	29,370	18,763	14,248,983
Net Position:					
Net Investment in Capital Assets	-	-	1,874,685	1,492,226	5,860,353
Restricted	-	1,246,817	-	-	1,657,610
Unrestricted	346,354	346,660	89,693	(18,763)	3,661,229
Total Liabilities and Net Position	$ 346,225	$ 1,594,311	$ 1,993,748	$ 1,492,226	$ 25,428,175

NOTE 13 CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS (CONTINUED)

	Housing in Omaha, Inc.	1234 South 13th Street LLC	Omaha Crown LP I	Omaha Crown LP II
Operating Revenues:				
Tenant Revenue	$ -	$ 25,062	$ 59,298	$ 15,699
Other Revenues	-	174,693	74,200	52,102
Total Operating Revenues	-	199,755	133,498	67,801
Operating Expenses:				
Administrative	(4,442)	35,948	35,056	19,470
Maintenance, Utilities, and Insurance	-	166,419	93,889	50,739
Other Operating Expenses	2,422	17,581	20,559	9,392
Nonoperating Expenses	64,320	72,525	56,751	44,174
Total Operating Expenses	62,300	292,473	206,255	123,775
Other Income (Expenses)				
Interest Income	-	-	-	-
Gain/loss on sale of capital assets	-	279	496	372
Interest Expense	-	-	-	-
Total Other Income (Expenses)	-	279	496	372
Net Income (Loss)	$ (62,300)	$ (92,439)	$ (72,261)	$ (55,602)

	Strehlow Housing Partners LP	1613 Farnam Street LLC	Keystone Crown I, LP	North Omaha Affordable Housing LP
Operating Revenues:				
Tenant Revenue	$ 441,427	$ 155,808	$ 147,824	$ 143,583
Other Revenues	163,540	198,352	102,815	100,649
Total Operating Revenues	604,967	354,160	250,639	244,232
Operating Expenses:				
Administrative	134,698	63,327	26,831	69,144
Maintenance, Utilities, and Insurance	437,353	271,271	215,252	156,895
Other Operating Expenses	281,591	48,697	27,386	38,843
Nonoperating Expenses	334,561	175,951	202,604	174,749
Total Operating Expenses	1,188,203	559,246	472,073	439,631
Other Income (Expenses)				
Interest Income	3,007	-	-	4,902
Gain/loss on sale of capital assets	27,943	930	1,147	744
Interest Expense	-	-	-	-
Total Other Income (Expenses)	30,950	930	1,147	5,646
Net Income (Loss)	$ (552,286)	$ (204,156)	$ (220,287)	$ (189,753)

	Securities Building LP	River City Housing Connections	Pine Tower RC Housing, LLC	Scattered Sites RC Housing, LLC	Total Blended Component Units
Operating Revenues:					
Tenant Revenue	$ -	$ -	$ -	$ -	$ 988,701
Other Revenues	148	1,183,086	2,017,498	1,492,226	5,559,309
Total Operating Revenues	148	1,183,086	2,017,498	1,492,226	6,548,010
Operating Expenses:					
Administrative	-	185,331	(2)	-	565,361
Maintenance, Utilities, and Insurance	-	4,529	25,100	18,763	1,440,210
Other Operating Expenses	(395)	68,727	37,358	-	552,161
Nonoperating Expenses	-	-	(9,335)	-	1,116,300
Total Operating Expenses	(395)	258,587	53,121	18,763	3,674,032
Other Income (Expenses)					
Interest Income	-	17,328	-	-	25,237
Gain/loss on sale of capital assets	-	-	-	-	31,911
Interest Expense	-	-	-	-	-
Total Other Income (Expenses)	-	17,328	-	-	57,148
Net Income (Loss)	$ 543	$ 941,827	$ 1,964,377	$ 1,473,463	$ 2,931,126

NOTE 13 DEFINED CONTRIBUTION PENSION PLAN

The Authority has a governmental 457(b) deferred compensation plan administered by Empower. A 457 (b) deferred compensation plan is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are subject to ordinary income tax. The Authority does not contribute to this plan.

The Authority contributes to a 401-a defined contribution plan administered by the Authority. A defined contribution plan provides the opportunity to save for retirement on a tax-advantaged basis. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the return earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All regular, full-time, eligible employees, including unionized employees, of the Authority may participate in the pension plan starting four months after date of hire. Employees are required to contribute 5.50% of their compensation and will be vested as follows:

- 1 Year Employed - 50% Vested
- 2 Years Employed - 60% Vested
- 3 Years Employed - 70% Vested
- 4 Years Employed - 100% Vested

During the year, the Authority's required and actual contributions amounted to $539,833. Employees' required contributions amounted to $539,820. Employees' voluntary contributions amounted to $107,142.

NOTE 14 RISK MANAGEMENT

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs, and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 15 CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements, and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of December 31, 2025, the Authority estimates that no material liabilities will result from such audits.

In June 2025, OHA filed a lawsuit against the State of Nebraska challenging the constitutionality of Legislative Bill 840. LB 840, now codified at Neb.Rev.Stat.§ 71-15,139, mandates OHA to pay the cost of court-appointed counsel for tenants in eviction proceedings. OHA's funding is restricted by federal regulations or its contract with HUD (the Annual Contributions Contract). HUD has advised OHA that it cannot use its restricted funding to pay for tenants' attorneys. Because OHA has no other source of funding to pay for tenants' attorneys, OHA is unable to enforce the residential lease or program obligations. This puts OHA in a precarious position in terms of HUD program compliance. The case is currently being litigated and OHA continues to seek HUD's assistance in resolving the matter.

AFSCME Local 251 filed a wage dispute petition naming OHA as defendant with the Nebraska Commission of Industrial Relations in 2023. The parties entered into a settlement agreement in April 2025 to resolve the CIR dispute. The settlement agreement provided for back pay for certain union job classifications to January 2024, a pay freeze for other job classifications, and the elimination of overtime after eight hours per shift for all bargaining unit employees. As of February 2026, all payments required by the settlement agreement have been made and the CIR petition has been dismissed.

NOTE 16 SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through August 10, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissions
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Omaha, Nebraska (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated August 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissions
Housing Authority of the City of Omaha, Nebraska
Omaha, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Omaha, Nebraska's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, and 2025-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Commissioners
Housing Authority of the City of Omaha, Nebraska

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, and 2025-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Des Moines, Iowa
August 10, 2026

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Identification Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	$ -	$ 50,762,341
Mainstream Vouchers	14.879	N/A	-	899,053
Emergency Housing Vouchers	14.871	N/A	-	892,496
Total Housing Voucher Cluster			-	52,553,890
Section 8 Project Based Cluster:				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	-	81,798
Total Section 8 Project Based Cluster			-	81,798
Public and Indian Housing Program	14.850	N/A	-	7,973,185
Public Housing Capital Fund	14.872	N/A	-	9,961,708
Family Self Sufficiency Program	14.896	N/A	-	366,603
Total Department of Housing and Urban Development			-	70,937,184
Department of Housing and Urban Development - Pass-Through				
Passed Through the City of Omaha - Planning Department:				
HOME Investment Partnerships Program	14.239	47-6006304	-	149,710
Passed Through the City of Omaha:				
Choice Neighborhood Implementation Grant	14.889	47-6006304	-	2,121,554
Total Passed Through the City of Omaha			-	2,121,554
Total Department of Housing and Urban Development - Pass-Through			-	2,271,264
Total Expenditures of Federal Awards			$ -	$ 73,208,448

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Housing Authority of the City of Omaha, Nebraska under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Housing Authority of the City of Omaha, Nebraska, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City of Omaha, Nebraska.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The Authority has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? __x__ yes _____ no
   - Significant deficiency(ies) identified? _____ yes __x__ none reported
3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Living Numbers	**Name of Federal Program or Cluster**
14.871/14.879	Housing Voucher Cluster (Section 8 Housing Choice Vouchers, Emergency Housing Vouchers, and Mainstream Vouchers)

Dollar threshold used to distinguish between Type A and Type B programs: $2,196,253

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

2025-001 – Financial Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Authority does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

During the audit, there were multiple material adjustments recorded to correct account balances to properly state the Authority's financial statements for accurate reporting. This is indicative of a lack of internal controls over the financial reporting.

Material adjusting journal entries were required for the following financial statement lines:

- Receivables
- Capital Assets / Gain (Loss) on Disposal of Capital Assets / Depreciation / Contract Retainage
- Interprogram
- Notes Receivables
- Other Assets and Liabilities
- Accounts Payable and Accrued Liabilities
- Leases
- Grant Revenues and Expenses

Additionally, there were numerous errors noted regarding capital assets and accounts payable. The Authority did not properly reconcile capital assets to ensure invoices were properly capitalized or expensed. There were many reconciling items and adjusting journal entries recorded to properly state capital assets. Regarding accounts payable, the Authority did not accrue for any invoices received after fiscal year-end but for services rendered during the fiscal year.

Criteria or Specific Requirement: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations, and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP 2 CFR Part 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Section II – Financial Statement Findings (Continued)

2025-001 – Financial Reporting (Continued)

Effect: Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, significant number of audit adjustments, or a lack of timely financial information. Inaccurate and untimely reporting to HUD could adversely affect the Authority's funding. The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure timely and accurate recording of financial transactions to HUD and users of the financial statements.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2024-001.

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. Management will ensure that proper internal controls are in place to prevent significant errors from occurring.

Section III – Findings and Questioned Costs – Major Federal Programs

2025 – 002 – HVC Eligibility

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of the household signs (a) one or more release forms to allow the PHA to obtain information from third parties; (b) a federally prescribed general release form for employment information; and (c) a privacy notice. Under some circumstances, other members of the family are required to sign these forms (24 CFR sections 5.212 and 5.230).

The PHA must do the following:

(1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

(2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516).

(3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5 Subpart F (24 CFR section 5.601 et seq.) (24 CFR sections 982.201, 982.515, and 982.516).

(4) Use the Enterprise Income Verification (EIV) system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR 5.233; and reduce administrative and subsidy payment errors in accordance with 24 CFR 5.236 and other administrative guidance issued by HUD.

(5) Select tenants from the HCVP waiting list (see III.N.1, "Special Tests and Provisions – Selection from the Waiting List") (24 CFR sections 982.202 through 982.207).

(6) Re-examine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR section 982.516).

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 002 – HVC Eligibility (Continued)

Condition: Out of 60 tenant files tested for eligibility, 17 tenant files contained errors or missing required documentation.

Questioned Costs: Actual, likely and projected questioned costs were under $25,000. This was based on the expected HAP impact calculated on the untimely recertifications.

Context: Out of 60 tenant files tested, exception were noted in the following 17 tenant files:

- 5 instances where the tenant file did not contain a signed HUD-9886 or HUD-9886-A form by all members of the household over 18.
- 1 instance the tenant file did not contain a signed general release form by all members of the household over 18.
- 13 instances where the HUD-50058 recertification was not performed annually.

Cause: The Authority failed to implement the internal controls designed to ensure compliance with eligibility requirements were met.

Effect: The Authority is not in compliance with federal regulations regarding eligibility requirements determined by HUD. Errors in eligibility could result in incorrect HAP payments.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2024-002.

Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually;
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form;
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 003 – HVC PIC Submissions

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: HUD-50058, Family Report (OMB No. 2577-0083) – The PHA is required to submit this form electronically to HUD each time the PHA completes an issuance, admission, annual reexamination, interim reexamination, portability move-in, expiration, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA's jurisdiction under portability (24 CFR Part 908 and 24 CFR section 982.158).

Condition: Out of 60 HUD-50058's tested for PIC submissions, 8 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Questioned Costs: The timeliness of submitting HUD-50058's into the PIC system does not have an impact on the HAP calculation.

Context: During the testing of 60 tenant files for PIC submissions, the following exceptions were noted:

- 2 instances where the HUD-50058 could not be located in the PIC system.
- 6 instances where PIC was not submitted within 90 days of the effective date.

Cause: The Authority failed to submit accurate information into the PIC system within 90 days of the effective date of the HUD-50058.

Effect: The Authority is not in compliance with federal regulations regarding PIC submission requirements determined by HUD.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2024-003.

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 004 – HVC HQS Inspections

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879

Federal Award Identification Number and Year: NE 001; 2025

Award Period: January 1, 2025 – December 31, 2025

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: The PHA must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

Condition: Out of 60 tenant files tested for annual HQS inspections, 8 tenant files contained exceptions.

Questioned Costs: None identified. The Authority did not complete the annual HQS inspection within the required timeframe for the unit tested. While this represents noncompliance with program requirements, we did not perform procedures to determine whether the unit failed to meet HQS. As a result, we did not determine whether HAP payments made during the period of noncompliance were unallowable. Accordingly, questioned costs could not be determined.

Context: Out of the testing of 60 tenant files for annual HQS inspections, there were 8 instances where the unit was not inspected on an annual basis.

Cause: The Authority failed to follow its Administrative Plan of inspecting units on an annual basis.

Effect: The Authority is not in compliance with federal regulations regarding HQS inspection requirements determined by HUD and it’s Administrative Plan.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2024-005.

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update its Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Views of Responsible Officials: There is no disagreement with the audit finding.

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	CURRENT ASSETS									
111	Cash - Unrestricted	$ 648,766	$ 2,195	$ 434,551	$ 51,432	$ 28,699	$ 2,322	$ 2,185	$ 27,157	$ -
112	Cash - Restricted Moderation/Development	796,030	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	38,509	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	521,834	-	-	-	-	-	-	-	11,148
115	Cash - Restricted for Payment of Current Liabilities	374,728	-	-	-	-	-	-	-	-
100	Total Cash	2,379,867	2,195	434,551	51,432	28,699	2,322	2,185	27,157	11,148
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	55,344	-	-	-
124	Accounts Receivable - Other Government	-	-	1,888,965	43,676	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	122,064	12,626	-	58,534	5,129	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	750,859	710	-	469	-	-	-	-	13,113
126.1	Allowance for Doubtful Accounts - Tenants	(663,418)	(5,353)	-	(16,828)	(3,404)	-	-	-	(8,655)
126.2	Allowance for Doubtful Accounts - Other	(122,238)	-	-	-	-	-	-	-	-
127	Notes, Loans, and Mortgages, Current	177,826	22,530	-	19,563	6,147	-	-	-	3,701
128	Fraud Recovery	-	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-
120	Total Receivables, Net Allowance for Doubtful Accounts	265,093	30,513	1,888,965	105,414	7,872	55,344	-	-	8,159
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	248,454	-	258,456	-	-	-	-	-	603
144	Interprogram Due From	4,376,552	-	10,605	-	-	26,083	21,619	-	270,164
150	Total Current Assets	7,269,966	32,708	2,592,577	156,846	36,571	83,749	23,804	27,157	290,074

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	NONCURRENT ASSETS									
	Fixed Assets:									
161	Land	$ 6,127,672	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,548
162	Buildings	145,899,967	-	-	-	-	-	-	-	27,882
163	Furniture, Equipment, and Machinery - Dwelling	3,698,996	-	-	-	-	-	-	-	-
164	Furniture, Equipment, and Machinery - Administration	3,408,048	-	-	-	-	-	-	-	-
165	Leasehold Improvements	3,752,267	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(126,038,978)	-	-	-	-	-	-	-	(13,180)
167	Construction in Progress	3,248,089	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	40,096,061	-	-	-	-	-	-	-	17,250
171	Notes, Loans, and Mortgage Receivable - Noncurrent	5,986,673	-	-	-	-	-	-	-	-
174	Other Assets	3,633,351	-	-	-	-	-	-	-	-
176	Investment in Joint Ventures	-	-	-	-	-	-	-	-	-
180	Total Noncurrent Assets	49,716,085	-	-	-	-	-	-	-	17,250
290	Total Assets	$ 57,153,585	$ 32,708	$ 2,592,577	$ 156,846	$ 36,571	$ 83,749	$ 23,804	$ 27,157	$ 307,324
200	Deferred Outflow of Resources	167,534	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	CURRENT ASSETS								
111	Cash - Unrestricted	$ 722,157	$ 942,546	$ 157,220	$ 460,552	$ 256,649	$ 3,736,431	$ -	$ 3,736,431
112	Cash - Restricted Moderation/Development	1,265,364	-	-	-	24,746	2,086,140	-	2,086,140
113	Cash - Other Restricted	396,530	700,693	-	736	-	1,136,468	-	1,136,468
114	Cash - Tenant Security Deposits	106,574	-	-	-	-	639,556	-	639,556
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	374,728	-	374,728
100	Total Cash	2,490,625	1,643,239	157,220	461,288	281,395	7,973,323	-	7,973,323
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	55,344	-	55,344
124	Accounts Receivable - Other Government	-	-	-	-	-	1,932,641	-	1,932,641
125	Accounts Receivable - Miscellaneous	88,922	944,961	54,513	22,272	490,230	1,799,251	-	1,799,251
126	Accounts Receivable - Tenants - Dwelling Rents	86,747	310,968	5,103	5,560	(975)	1,172,554	-	1,172,554
126.1	Allowance for Doubtful Accounts - Tenants	(47,356)	(310,968)	(58,844)	(12,159)	(994)	(1,127,979)	-	(1,127,979)
126.2	Allowance for Doubtful Accounts - Other	(46,192)	(1,214,662)	-	-	(487,700)	(1,870,792)	-	(1,870,792)
127	Notes, Loans, and Mortgages, Current	2,105,057	358,647	55,482	-	-	2,748,953	(2,058,739)	690,214
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-
120	Total Receivables, Net Allowance for Doubtful Accounts	2,187,178	88,946	56,254	15,673	561	4,709,972	(2,058,739)	2,651,233
131	Investments - Unrestricted	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	6,981	73,311	-	-	62,726	650,531	-	650,531
144	Interprogram Due From	2,167,181	2,581,470	-	423,338	7,782,206	17,659,218	(17,659,218)	-
150	Total Current Assets	6,851,965	4,386,966	213,474	900,299	8,126,888	30,993,044	(19,717,957)	11,275,087

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
NONCURRENT ASSETS								
Fixed Assets:								
Land	$ 2,144,379	$ 14,389	$ -	$ -	$ 10,156	$ 8,299,144	$ -	$ 8,299,144
Buildings	40,167,134	328,203	-	-	3,117,626	189,540,812	-	189,540,812
Furniture, Equipment, and Machinery - Dwelling	912,604	-	-	-	6,572	4,618,172	-	4,618,172
Furniture, Equipment, and Machinery - Administration	381,229	103,848	-	-	402,755	4,295,880	-	4,295,880
Leasehold Improvements	1,388,174	-	-	-	26,446	5,166,887	-	5,166,887
Accumulated Depreciation	(29,836,412)	(362,404)	-	-	(1,146,680)	(157,397,654)	-	(157,397,654)
Construction in Progress	144,658	-	-	-	61,356	3,454,103	-	3,454,103
Total Capital Assets, Net of Accumulated Depreciation	15,301,766	84,036	-	-	2,478,231	57,977,344	-	57,977,344
Notes, Loans, and Mortgage Receivable - Noncurrent	944,000	-	-	-	-	6,930,673	(6,580,673)	350,000
Other Assets	1,842	-	-	-	-	3,635,193	-	3,635,193
Investment in Joint Ventures	2,296,065	-	-	-	-	2,296,065	(2,296,065)	-
Total Noncurrent Assets	18,543,673	84,036	-	-	2,478,231	70,839,275	(8,876,738)	61,962,537
Total Assets	$ 25,428,175	$ 4,471,002	$ 213,474	$ 900,299	$ 10,605,119	$ 102,032,390	$ (28,594,695)	$ 73,437,695
Deferred Outflow of Resources	32,537	-	-	-	-	200,071	-	200,071

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	CURRENT LIABILITIES									
312	Accounts Payable Less Than or Equal to 90 Days	$ 459,143	$ 1,099	$ 222,414	$ 503	$ -	$ -	$ -	$ -	$ 4,043
321	Accrued Wage/Payroll Taxes Payable	124,325	-	14,859	-	-	7,532	3,123	-	2,075
322	Accrued Compensated Absences - Current Portion	103,045	-	7,065	-	-	46,572	3,159	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-
330	Accounts Payable HUD	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	553,963	-	-	-	-	-	-	-	12,843
342	Unearned Revenues	193,851	-	-	-	-	-	-	-	5,664
343	Current Portion Long-Term Debt - Capital Projects	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	319,848	-	-	-	-	167	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-
347	Interprogram Due To	5,514,591	49,449	2,471,108	37,628	-	311,408	231,682	27,898	324,829
310	Total Current Liabilities	7,268,766	50,548	2,715,446	38,131	-	365,679	237,964	27,898	349,454
	NONCURRENT LIABILITIES									
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	-	-
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	43,002	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Noncurrent	140,551	-	13,709	-	-	-	7,266	-	623
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	183,553	-	13,709	-	-	-	7,266	-	623
300	Total Liabilities	7,452,319	50,548	2,729,155	38,131	-	365,679	245,230	27,898	350,077
400	**DEFERRED INFLOWS OF RESOURCES**	3,324,391	-	-	-	-	-	-	-	-
	EQUITY/NET POSITION									
508.4	Invested in Capital Assets, Net of Related Debt	40,096,061	-	-	-	-	-	-	-	17,250
511.4	Restricted	1,134,136	-	-	-	-	-	-	-	-
512.4	Unrestricted	5,146,678	(17,840)	(136,578)	118,715	36,571	(281,930)	(221,426)	(741)	(60,003)
513	Total Equity/Net Position	46,376,875	(17,840)	(136,578)	118,715	36,571	(281,930)	(221,426)	(741)	(42,753)
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 57,153,585	$ 32,708	$ 2,592,577	$ 156,846	$ 36,571	$ 83,749	$ 23,804	$ 27,157	$ 307,324

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	CURRENT LIABILITIES								
312	Accounts Payable Less Than or Equal to 90 Days	$ 48,616	$ 43,396	$ -	$ 216	$ 43,765	$ 823,195	$ -	$ 823,195
321	Accrued Wage/Payroll Taxes Payable	14,130	58,368	-	-	127,550	351,962	-	351,962
322	Accrued Compensated Absences - Current Portion	3,113	32,876	-	-	130,528	326,358	-	326,358
325	Accrued Interest Payable	-	-	-	-	-	-	-	-
330	Accounts Payable HUD	-	-	156,096	233,817	-	389,913	-	389,913
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	110,858	13,414	-	736	307	692,121	-	692,121
342	Unearned Revenues	31,459	631,775	-	-	2,080	864,829	-	864,829
343	Current Portion Long-Term Debt - Capital Projects	-	-	-	-	53,203	53,203	-	53,203
345	Other Current Liabilities	29,370	435	-	-	-	349,820	-	349,820
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-
347	Interprogram Due To	4,529,765	3,158,453	7,963	11,435	983,009	17,659,218	(17,659,218)	-
310	Total Current Liabilities	4,767,311	3,938,717	164,059	246,204	1,340,442	21,510,619	(17,659,218)	3,851,401
	NONCURRENT LIABILITIES								
351	Long-Term Debt, Net of Current - Capital Projects	9,441,413	-	-	-	1,385,861	10,827,274	(8,639,412)	2,187,862
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	18,841	587,599	-	-	-	649,442	-	649,442
354	Accrued Compensated Absences - Noncurrent	21,418	92,912	-	-	239,597	516,076	-	516,076
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	9,481,672	680,511	-	-	1,625,458	11,992,792	(8,639,412)	3,353,380
300	Total Liabilities	14,248,983	4,619,228	164,059	246,204	2,965,900	33,503,411	(26,298,630)	7,204,781
400	**DEFERRED INFLOWS OF RESOURCES**	-	-	-	-	-	3,324,391	-	3,324,391
	EQUITY/NET POSITION								
508.4	Invested in Capital Assets, Net of Related Debt	5,860,353	84,036	-	-	1,039,167	47,096,867	(8,639,412)	38,457,455
511.4	Restricted	1,657,610	-	-	-	24,439	2,816,185	-	2,816,185
512.4	Unrestricted	3,661,229	(232,262)	49,415	654,095	6,575,613	15,291,536	6,343,347	21,634,883
513	Total Equity/Net Position	11,179,192	(148,226)	49,415	654,095	7,639,219	65,204,588	(2,296,065)	62,908,523
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 25,428,175	$ 4,471,002	$ 213,474	$ 900,299	$ 10,605,119	$ 102,032,390	$ (28,594,695)	$ 73,437,695

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	REVENUE									
	Tenant Revenue:									
70300	Net Tenant Rental Revenue	$ 6,738,849	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 209,027
70400	Tenant Revenue - Other	467,682	-	-	-	-	-	-	-	13,784
70500	Total Tenant Revenue	7,206,531	-	-	-	-	-	-	-	222,811
70600	HUD PHA Operating Grants	12,864,165	899,053	-	-	-	366,603	-	-	-
70610	Capital Grants	5,070,728	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	2,414,900	149,710	-	-	-	-	-
71100	Investment Income - Unrestricted	99,180	-	-	-	-	-	-	-	-
71200	Mortgage Interest Income	4,773	-	-	-	-	-	-	-	-
71400	Fraud Recovery	8,334	-	-	-	-	-	-	-	50
71500	Other Revenue	820,110	-	-	14,971	-	-	-	-	17,316
71600	Gain (Loss) on Sale of Capital Assets	(3,217,924)	-	-	-	-	-	-	-	-
72000	Investment - Income - Restricted	-	-	-	-	-	-	-	-	-
70000	Total Revenue	22,855,897	899,053	2,414,900	164,681	-	366,603	-	-	240,177
	EXPENSES									
	Operating - Administrative:									
91100	Administrative Salaries	1,219,454	22,197	752,508	-	-	342,047	146,149	-	15,261
91200	Auditing Fees	481	-	-	-	-	-	-	-	6,190
91300	Management Fee	2,158,371	9,188	-	-	-	-	-	-	-
91310	Bookkeeping Fee	172,698	5,743	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	398,453	7,646	192,540	-	-	128,315	50,377	-	5,124
91600	Office Expenses	358,441	5,819	(254,584)	-	-	76,376	7,107	-	3,612
91700	Legal Expense	306,748	-	-	-	-	-	-	-	769
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	97,059	-	-	-	-	-	-	-	1,396
91000	Total Operating - Administrative	4,711,705	50,593	690,464	-	-	546,738	203,633	-	32,352
	Tenant Services:									
92100	Tenant Services - Salaries	160,456	-	-	-	-	-	-	-	-
92200	Relocation Costs	28,165	-	479,674	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	29,573	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	2,099,952	32	233,900	-	-	-	-	-	42,149
92500	Total Tenant Services	2,318,146	32	713,574	-	-	-	-	-	42,149

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	EXPENSES (CONTINUED)									
	Utilities:									
93100	Water	$ 292,975	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,060
93200	Electricity	1,584,386	-	-	-	-	-	-	-	8,344
93300	Gas	422,803	-	-	-	-	-	-	-	6,141
93600	Sewer	395,417	-	-	-	-	-	-	-	12,079
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
93000	Total Utilities	2,695,581	-	-	-	-	-	-	-	33,624
	Ordinary Maintenance and Operations:									
94100	Ordinary Maintenance and Operations - Labor	2,671,179	3,334	-	-	-	-	-	-	47,054
94200	Ordinary Maintenance and Operations - Materials and Other	1,251,879	25	-	-	-	-	-	-	15,741
94300	Ordinary Maintenance and Operations - Contracts	4,830,793	139	700,859	-	-	-	-	-	52,325
94500	Employee Benefit Contributions - Ordinary Maintenance	914,784	1,152	-	-	-	-	-	-	17,361
94000	Total Ordinary Maintenance and Operations	9,668,635	4,650	700,859	-	-	-	-	-	132,481
	Protective Services:									
95100	Protective Services - Labor	172,255	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	671,300	-	-	-	-	-	-	-	6,096
95300	Protective Services - Other	357,123	-	-	-	-	-	-	-	10,387
95500	Protective Services - Employee Contributions	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	1,200,678	-	-	-	-	-	-	-	16,483
	Insurance Premiums:									
96110	Property Insurance	754,916	-	-	-	-	-	-	-	17,508
96120	Liability Insurance	315,037	161	-	-	-	-	-	-	3,518
96130	Workers' Compensation	88,403	544	10,019	-	-	7,681	3,307	-	1,401
96140	All Other Insurance	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	1,158,356	705	10,019	-	-	7,681	3,307	-	22,427
	Other General Expenses:									
96200	Other General Expenses	66,660	-	-	-	-	-	-	-	-
96210	Compensated Absences	56,525	-	6,638	-	-	17,910	3,159	-	(745)
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	777,354	114	-	171	-	-	-	-	1,180
96500	Bad Debt - Mortgages	29,761	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	930,300	114	6,638	171	-	17,910	3,159	-	435

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Project Total	Mainstream Vouchers	Choice Neighborhoods Implementation Grants	HOME Investment Partnerships Program	Shelter Plus Care	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Choice Neighborhoods Planning Grants	Business Activities
	EXPENSES (CONTINUED)									
	Interest Expense and Amortization Cost:									
96710	Interest of Mortgage (or Bonds) Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
96720	Interest on Notes Payable (Short- and Long-Term)	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Costs	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	22,683,401	56,094	2,121,554	171	-	572,329	210,099	-	279,951
97000	**EXCESS REVENUE OVER OPERATING EXPENSES**	172,496	842,959	293,346	164,510	-	(205,726)	(210,099)	-	(39,774)
97200	Casualty Losses - Noncapitalized	153,532	-	-	-	-	-	-	-	135
97300	Housing Assistance Payments	574,542	945,702		150,135	-	-	-	-	-
97650	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	7,249,805	-	-	-	-	-	-	-	734
97500	Fraud Losses	-	-	-	-	-	-	-	-	-
90000	Total Expenses	30,661,280	1,001,796	2,121,554	150,306	-	572,329	210,099	-	280,820
	OTHER FINANCING SOURCES (USES)									
10010	Operating Transfers In	2,597,193	-	-	-	-	-	-	-	-
10020	Operating Transfers Out	(2,532,785)	-	-	-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	1,163,638	-	-	-	-	-	-	-	-
10092	Inter AMP Excess Cash Transfer Out	(1,163,638)	-	-	-	-	-	-	-	-
10093	Transfer from AMP to Program	-	-	-	-	-	-	-	-	-
10094	Transfer from AMP to Program	(21,060)	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	43,348	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES**	(7,762,035)	(102,743)	293,346	14,375	-	(205,726)	(210,099)	-	(40,643)
	Memo Account Information:									
11010	Capital Outlays - Enterprise Funds	46,539	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-
11030	Equity - Beginning of Year	54,366,512	85,387	(430,084)	104,471	36,571	(76,438)	(12,845)	(439)	659,038
11040	Equity Transfers and Prior Period Adjustments	(227,602)	(484)	160	(131)	-	234	1,518	(302)	(661,148)
	NET POSITION - END OF YEAR	$ 46,376,875	$ (17,840)	$ (136,578)	$ 118,715	$ 36,571	$ (281,930)	$ (221,426)	$ (741)	$ (42,753)
11190	Unit Months Available	27,324	1,184	-	752	-	-	-	-	610
11210	Number of Unit Months Leased	24,728	1,051	-	752	-	-	-	-	474

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	REVENUE								
	Tenant Revenue:								
70300	Net Tenant Rental Revenue	$ 960,806	$ -	$ -	$ -	$ 228	$ 7,908,910	$ -	$ 7,908,910
70400	Tenant Revenue - Other	27,895	-	-	-	44,398	553,759	-	553,759
70500	Total Tenant Revenue	988,701	-	-	-	44,626	8,462,669	-	8,462,669
70600	HUD PHA Operating Grants	-	50,762,341	81,798	892,496	-	65,866,456	-	65,866,456
70610	Capital Grants	64,410	-	-	-	-	5,135,138	-	5,135,138
70710	Management Fee	-	-	-	-	2,896,353	2,896,353	(2,896,353)	-
70730	Bookkeeping Fee	-	-	-	-	567,180	567,180	(567,180)	-
70740	Front Line Service Fee	-	-	-	-	2,513,567	2,513,567	(2,513,567)	-
70750	Other Fees	-	20,455	-	-	98,635	119,090	(119,090)	-
70800	Other Government Grants	574,542	-	-	-	-	3,139,152	(574,542)	2,564,610
71100	Investment Income - Unrestricted	17,328	-	-	-	373	116,881	-	116,881
71200	Mortgage Interest Income	7,909	-	-	-	-	12,682	-	12,682
71400	Fraud Recovery	275	150	-	-	-	8,809	-	8,809
71500	Other Revenue	4,920,082	-	277	-	784,585	6,557,341	(3,098,250)	3,459,091
71600	Gain (Loss) on Sale of Capital Assets	31,911	-	-	-	-	(3,186,013)	3,098,250	(87,763)
72000	Investment - Income - Restricted	-	-	-	-	-	-	-	-
70000	Total Revenue	6,605,158	50,782,946	82,075	892,496	6,905,319	92,209,305	(6,670,732)	85,538,573
	EXPENSES								
	Operating - Administrative:								
91100	Administrative Salaries	151,399	1,356,601	3,042	29,753	3,546,407	7,584,818	-	7,584,818
91200	Auditing Fees	5,608	-	-	-	194,149	206,428	-	206,428
91300	Management Fee	139,273	567,317	2,862	19,342	-	2,896,353	(2,896,353)	-
91310	Bookkeeping Fee	24,361	354,573	1,788	8,017	-	567,180	(567,180)	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	36,323	486,914	1,213	10,671	1,316,852	2,634,428	-	2,634,428
91600	Office Expenses	100,629	373,327	891	6,892	996,396	1,674,906	-	1,674,906
91700	Legal Expense	31,135	-	-	-	225,821	564,473	-	564,473
91800	Travel	-	-	-	-	-	-	-	-
91900	Other	12,225	23,000	17,198	-	-	150,878	(98,635)	52,243
91000	Total Operating - Administrative	500,953	3,161,732	26,994	74,675	6,279,625	16,279,464	(3,562,168)	12,717,296
	Tenant Services:								
92100	Tenant Services - Salaries	42,994	-	-	-	14	203,464	-	203,464
92200	Relocation Costs	6,682	-	-	-	226	514,747	-	514,747
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	29,573	-	29,573
92400	Tenant Services - Other	166,326	2,222	19	9	41,469	2,586,078	(2,268,803)	317,275
92500	Total Tenant Services	216,002	2,222	19	9	41,709	3,333,862	(2,268,803)	1,065,059

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	EXPENSES (CONTINUED)								
	Utilities:								
93100	Water	$ 38,576	$ -	$ -	$ -	$ 3,001	$ 341,612	$ -	$ 341,612
93200	Electricity	50,606	-	-	-	53,822	1,697,158	-	1,697,158
93300	Gas	10,746	-	-	-	972	440,662	-	440,662
93600	Sewer	53,711	-	-	-	2,920	464,127	-	464,127
93800	Other Utilities Expense	-	-	-	-	-	-	-	-
93000	Total Utilities	153,639	-	-	-	60,715	2,943,559	-	2,943,559
	Ordinary Maintenance and Operations:								
94100	Ordinary Maintenance and Operations - Labor	366,009	221,379	439	4,303	5,308	3,319,005	-	3,319,005
	Ordinary Maintenance and Operations -								
94200	Materials and Other	128,859	1,465	9	63	9,193	1,407,234	-	1,407,234
94300	Ordinary Maintenance and Operations - Contracts	433,285	9,478	12	109	93,458	6,120,458	(20,455)	6,100,003
	Employee Benefit Contributions -						-		
94500	Ordinary Maintenance	130,063	82,339	208	1,654	2,288	1,149,849	-	1,149,849
94000	Total Ordinary Maintenance and Operations	1,058,216	314,661	668	6,129	110,247	11,996,546	(20,455)	11,976,091
	Protective Services:						-	-	-
95100	Protective Services - Labor	72,509	-	-	-	138,127	382,891	(244,764)	138,127
95200	Protective Services - Other Contract Costs	140,806	-	-	-	8,359	826,561	-	826,561
95300	Protective Services - Other	35,304	-	-	-	7,789	410,603	-	410,603
95500	Protective Services - Employee Contributions	-	-	-	-	20,966	20,966	-	20,966
95000	Total Protective Services	248,619	-	-	-	175,241	1,641,021	(244,764)	1,396,257
	Insurance Premiums:								
96110	Property Insurance	167,255	-	-	-	29,230	968,909	-	968,909
96120	Liability Insurance	48,916	12,389	15	168	82,669	462,873	-	462,873
96130	Workers' Compensation	12,184	35,425	60	722	88,409	248,155	-	248,155
96140	All Other Insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	228,355	47,814	75	890	200,308	1,679,937	-	1,679,937
	Other General Expenses:								
96200	Other General Expenses	37,732	-	-	123,790	-	228,182	-	228,182
96210	Compensated Absences	2,325	32,876	-	-	111,659	230,347	-	230,347
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	47,483	5,279	-	641	2,080	834,302	-	834,302
96500	Bad Debt - Mortgages	-	-	-	-	-	29,761	-	29,761
96600	Bad Debt - Other	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	87,540	38,155	-	124,431	113,739	1,322,592	-	1,322,592

HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
FINANCIAL DATA SCHEDULE (CONTINUED)
DECEMBER 31, 2025

Line Item No.	Account Description	Component Unit - Blended Presented	Housing Choice Vouchers	Lower Income Housing Assistance Program Section 8 Moderate	Emergency Housing Voucher	COCC	Subtotal	Elimination	Total
	EXPENSES (CONTINUED)								
	Interest Expense and Amortization Cost:								
96710	Interest of Mortgage (or Bonds) Payable	$ -	$ -	$ -	$ -	$ 70,046	$ 70,046	$ -	$ 70,046
96720	Interest on Notes Payable (Short- and Long-Term)	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Costs	-	-	-	-	70,046	70,046	-	70,046
96900	Total Operating Expenses	2,493,324	3,564,584	27,756	206,134	7,051,630	39,267,027	(6,096,190)	33,170,837
97000	**EXCESS REVENUE OVER OPERATING EXPENSES**	4,111,834	47,218,362	54,319	686,362	(146,311)	52,942,278	(574,542)	52,367,736
97100	Casualty Losses - Noncapitalized	-	-	-	-	6,000	159,667	-	159,667
97300	Housing Assistance Payments	-	47,184,806	70,525	857,293	-	49,783,003	(574,542)	49,208,461
97650	HAP Portability - In	-	-	-	-	-	-	-	-
97400	Depreciation Expense	1,116,300	11,934	-	-	149,349	8,528,122	-	8,528,122
97500	Fraud Losses	-	-	-	-	-	-	-	-
90000	Total Expenses	3,609,624	50,761,324	98,281	1,063,427	7,206,979	97,737,819	(6,670,732)	91,067,087
	OTHER FINANCING SOURCES (USES)								
10010	Operating Transfers In	-	-	-	-	-	2,597,193	(2,597,193)	-
10020	Operating Transfers Out	(64,408)	-	-	-	-	(2,597,193)	2,597,193	-
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	1,163,638	(1,163,638)	-
10092	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	(1,163,638)	1,163,638	-
10093	Transfer from AMP to Program	-	-	-	-	21,060	21,060	(21,060)	-
10094	Transfer from AMP to Program	-	-	-	-	-	(21,060)	21,060	-
10100	Total Other Financing Sources (Uses)	(64,408)	-	-	-	21,060	-	-	-
10000	**EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES**	2,931,126	21,622	(16,206)	(170,931)	(280,600)	(5,528,514)	-	(5,528,514)
	Memo Account Information:								
11010	Capital Outlays - Enterprise Funds	-	-	-	-	-	46,539	-	46,539
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-
11030	Equity - Beginning of Year	7,596,612	(141,693)	65,685	825,876	7,654,449	70,733,102	(2,296,065)	68,437,037
11040	Equity Transfers and Prior Period Adjustments	651,454	(28,155)	(64)	(850)	265,370	-	-	-
	NET POSITION - END OF YEAR	$ 11,179,192	$ (148,226)	$ 49,415	$ 654,095	$ 7,639,219	$ 111,581,463	$ (2,296,065)	$ 62,908,523
11190	Unit Months Available	960	56,396	328	1,391	-	88,945	-	88,945
11210	Number of Unit Months Leased	718	49,233	267	1,069	-	78,292	-	78,292

Omaha Housing Authority

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HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2025

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following corrective action plan for the year ended December 31, 2025.

Audit period: January 1, 2025 – December 31, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2025-001 Financial Reporting

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will evaluate and enhance its financial reporting process, including reconciliation and monthly/year-end close procedures, to strengthen controls over timely and accurate financial reporting. Management will also evaluate staffing and accounting responsibilities to help ensure transactions are recorded accurately and financial statements are prepared in accordance with U.S. GAAP.

Name of the contact person responsible for corrective action: Ashley Hatheway, CFO
Planned completion date for corrective action plan: December 31, 2026

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2025-002 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 - Eligibility
Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will review and revise eligibility determination procedures to ensure compliance with HUD requirements and will provide staff training on required documentation and verification protocols. The Authority will also perform a file review to identify and correct documentation deficiencies and update its Administrative Plan as needed to reflect current eligibility screening procedures.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-003 Submissions Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – PIC

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will designate an individual responsible for monitoring HUD-50058 submissions and ensuring information is entered into the PIC system accurately and within required timeframes. Management will review the submission process and implement follow-up procedures to reduce the risk of untimely or unsupported PIC submissions.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-004 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – Annual HQS Inspections

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update it's Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will implement monitoring controls to ensure units are inspected annually in accordance with HUD requirements and the Authority's administrative policy. Management will evaluate internal inspection capacity and consider the use of an outside firm if additional resources are needed to complete required inspections timely.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Ashley Hatheway at 402-444-6900.

Omaha Housing Authority

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HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2024

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2025.

Audit period: January 1, 2025 through December 31, 2025

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2024 – 001 Financial Reporting

Condition: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

2 CFR part 200.303 require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Internal Control Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission, provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

There were multiple adjusting journal entries, corrections of errors and prior period adjustments needed to properly state the Authority's financial account balances.

The Authority does not have a policy in place to provide reasonable assurance that the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the Authority's internal controls.

Status: See current year finding 2025-001.

Reason for finding's recurrence: *The finding recurred because the Authority had not fully established and implemented sufficient internal controls over the financial reporting process to ensure timely and accurate recording of financial transactions and preparation of financial information.*

Corrective Action: *The Authority will continue to evaluate and improve its financial reporting processes and controls, including reconciliation and monthly/year-end close procedures, and assess staffing assigned to accounting functions to support accurate and timely financial reporting to HUD and users of the financial statements.*

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2024 – 002 HCV Eligibility

Condition: Out of 40 tenant files tested for eligibility, 11 tenant files contained errors or were missing required documentation.

Status: See current year finding 2025-002.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently follow internal controls designed to ensure compliance with HUD eligibility requirements, including maintaining required forms and completing recertifications timely.*

Corrective Action: *The Authority will review and revise eligibility determination procedures, train staff on documentation and verification protocols, perform file review procedures to identify and correct deficiencies, and update its Administrative Plan as needed to support compliance with HUD requirements.*

2024 – 003 PIC Reporting

Condition: Out of 40 HUD-50058's tested for PIC submissions, 14 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Status: See current year finding 2025-003.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently submit accurate HUD-50058/PIC information within the required timeframe.*

Corrective Action: *The Authority will designate an individual to monitor PIC submissions and help ensure required information is entered accurately and timely.*

2024 – 004 Rent Reasonableness

Condition: Out of 25 tenant files tested for rent reasonableness, 2 tenant files contained exceptions.

Status: This finding was cleared in the current year.

2024 – 005 HCV HQS Inspection

Condition: Out of 40 tenant files tested for annual HQS inspections, 6 tenant files contained exceptions.

Status: See current year finding 2025-004.

Reason for finding's recurrence: *The finding recurred because the Authority did not consistently follow its administrative policy requiring units to be inspected on an annual basis.*

Corrective Action: *The Authority will implement controls to ensure annual HQS inspections are completed timely and will consider using an outside firm if internal capacity is not sufficient.*

If the U.S. Department of Housing and Urban Development has questions regarding this schedule, please call Ashley Hatheway at 402-444-6900.

OHA 2025 Audit Synopsis – Financial

1. Clean aka unmodified opinion *(from Audit Report in Sparq, page 1)*
2. **Finding 2025 – 001** – Financial Reporting – Material Weakness in Internal Control over Financial Reporting *(from Audit Report in Sparq, pages 47-48)*

<u>2025-001 – Financial Reporting</u>

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Authority does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

During the audit, there were multiple material adjustments recorded to correct account balances to properly state the Authority's financial statements for accurate reporting. This is indicative of a lack of internal controls over the financial reporting.

<u>Financial Reporting Themes</u>

Material Items/Adjusting Journal Entries *(from OHA Governance Communication document in Sparq, PDF pages 16-25)*

1. Repairs & Maintenance items that should have been capitalized – recurring issue
2. Improper recording of Contract Retainage – new for 2025
3. Gain/loss on sale of capital assets to River City for RAD conversions – new for 2025
4. Leases Receivable – new for 2025
5. CNIS grant – revenue & expense did not net in current year – new for 2025
6. Failure to move completed Capital Fund projects to the respective AMP – need clarification on appropriate treatment from CLA
7. Failure to record Unearned Revenue and associated payable to HUD – need clarification on appropriate treatment from CLA
8. Six entries listed within the AJE workpaper were for FDS reporting purposes only and are not reflective of a failure to record financial transactions appropriately

Passed Items/Immaterial Items *(from OHA Governance Communication document in Sparq, PDF pages 5-6)*

1. Failure to accrue outstanding accounts payable at year end – recurring issue
2. Unclaimed property reporting – recurring issue

3. Failure to remove "old" assets & liabilities from our financial records (Spencer) – new for 2025

OHA 2025 Audit Synopsis – Section 8 Program

1. **Finding 2025 – 002** – Section 8 Eligibility – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 51-52))*

Condition: Out of 60 tenant files tested for eligibility, 17 tenant files contained errors or missing required documentation.

Questioned Costs: Actual, likely and projected questioned costs were under $25,000. This was based on the expected HAP impact calculated on the untimely recertifications.

Context: Out of 60 tenant files tested, exception were noted in the following 17 tenant files:

- 5 instances where the tenant file did not contain a signed HUD-9886 or HUD-9886-A form by all members of the household over 18.
- 1 instance the tenant file did not contain a signed general release form by all members of the household over 18.
- 13 instances where the HUD-50058 recertification was not performed annually.

Cause: The Authority failed to implement the internal controls designed to ensure compliance with eligibility requirements were met.

2. **Finding 2025 – 003** – Section 8 PIC Submissions – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 53)*

Condition: Out of 60 HUD-50058's tested for PIC submissions, 8 HUD-50058 PIC uploads contained errors or were not uploaded timely.

Questioned Costs: The timeliness of submitting HUD-50058's into the PIC system does not have an impact on the HAP calculation.

Context: During the testing of 60 tenant files for PIC submissions, the following exceptions were noted:

- 2 instances where the HUD-50058 could not be located in the PIC system.
- 6 instances where PIC was not submitted within 90 days of the effective date.

Cause: The Authority failed to submit accurate information into the PIC system within 90 days of the effective date of the HUD-50058.

3. **Finding 2025 – 004** – Section 8 HQS Inspections – Significant Deficiency in Internal Control over Compliance *(from Audit Report, pages 54)*

Condition: Out of 60 tenant files tested for annual HQS inspections, 8 tenant files contained exceptions.

Questioned Costs: None identified. The Authority did not complete the annual HQS inspection within the required timeframe for the unit tested. While this represents noncompliance with program requirements, we did not perform procedures to determine whether the unit failed to meet HQS. As a result, we did not determine whether HAP payments made during the period of noncompliance were unallowable. Accordingly, questioned costs could not be determined.

Context: Out of the testing of 60 tenant files for annual HQS inspections, there were 8 instances where the unit was not inspected on an annual basis.

Cause: The Authority failed to follow its Administrative Plan of inspecting units on an annual basis.

Omaha Housing Authority

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HOUSING AUTHORITY OF THE CITY OF OMAHA, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2025

U.S. Department of Housing and Urban Development

Housing Authority of the City of Omaha, Nebraska respectfully submits the following corrective action plan for the year ended December 31, 2025.

Audit period: January 1, 2025 – December 31, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2025-001 Financial Reporting

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting to HUD and the users of the financial statements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will evaluate and enhance its financial reporting process, including reconciliation and monthly/year-end close procedures, to strengthen controls over timely and accurate financial reporting. Management will also evaluate staffing and accounting responsibilities to help ensure transactions are recorded accurately and financial statements are prepared in accordance with U.S. GAAP.

Name of the contact person responsible for corrective action: Ashley Hatheway, CFO
Planned completion date for corrective action plan: December 31, 2026

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2025-002 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 - Eligibility
Recommendation: We recommend the Authority:

- Review and revise its eligibility determination procedures to ensure full compliance with HUD regulations;
- Maintain a schedule of tenants and housing specialists to ensure that recertifications are performed annually
- Train staff on proper documentation and verification protocols for items listed in the HUD-50058 form
- Update its Administrative Plan to reflect accurate and timely eligibility screening procedures

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will review and revise eligibility determination procedures to ensure compliance with HUD requirements and will provide staff training on required documentation and verification protocols. The Authority will also perform a file review to identify and correct documentation deficiencies and update its Administrative Plan as needed to reflect current eligibility screening procedures.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-003 Submissions Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – PIC

Recommendation: We recommend that the Authority designate an individual to ensure accurate HUD-50058 information is input into the PIC system timely

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will designate an individual responsible for monitoring HUD-50058 submissions and ensuring information is entered into the PIC system accurately and within required timeframes. Management will review the submission process and implement follow-up procedures to reduce the risk of untimely or unsupported PIC submissions.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

U.S. Department of Housing and Urban Development

2025-004 Housing Voucher Cluster – Assistance Listing No. 14.871 and 14.879 – Annual HQS Inspections

Recommendation: We recommend the Authority implement controls to ensure that all units are inspected annually or to update it's Administrative Plan to inspect units on a biennial basis. We recommend the Authority hire an outside firm to perform inspections if there is not any internal capacity.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Authority will implement monitoring controls to ensure units are inspected annually in accordance with HUD requirements and the Authority's administrative policy. Management will evaluate internal inspection capacity and consider the use of an outside firm if additional resources are needed to complete required inspections timely.

Name of the contact person responsible for corrective action: Philisa Smith, HCV Director
Planned completion date for corrective action plan: December 31, 2026

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Ashley Hatheway at 402-444-6900.

RESOLUTION NO. 2026 – 63
FY 2024 AUDIT REPORTS

WHEREAS, HUD regulations require a third-party audit of OHA's financial reports annually;

WHEREAS, OHA contracted with Clifton Larson Allen, LLP to perform the audit of OHA's consolidated financial reports for FY 2025;

WHEREAS, Clifton Larson Allen, LLP completed its audit of OHA's FY 2025 financial reports and presented its audit report to OHA staff; and

WHEREAS, OHA staff recommends that the Board of Commissioners of the Housing Authority of the City of Omaha acknowledge for the public record its receipt and acceptance of the Clifton Larson Allen, LLP audit of OHA's FY 2025 financial reports;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby acknowledges for the public record its receipt and acceptance of the Clifton Larson Allen, LLP audit of OHA's FY 2025 financial reports.

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David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

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Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.2. Resolution 2026-64 Hazmat Abatement Pool, Renewal & Increase

Memorandum

To: The OHA Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: September 3rd, 2026
Re: Recommendation for Contract Renewal

RECOMMENDED ACTION:

OHA staff recommends the OHA Board of Commissioners approve the following actions regarding contract 22-HAZABATE-58 (Hazmat Abatement) with three contractors: HHERS LLC, New Horizons Environment LLC, and All Dry Services of Omaha and Lincoln.

- Extension of contract term by 12 months
- Increase of contract amount by $100,00 (jointly and severally)

PREVIOUS ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Initial Term	$250,000	$250,000	4	9/25/2023
Renewal 1	$250,000	$500,000	3	9/25/2024
Renewal 2	$0	$500,000	2	9/25/2025
Renewal 3	$0	$500,000	1	9/25/2026

PROPOSED ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Renewal 4	$100,000	$600,000	0	9/25/2027

PROJECT COST:

Company Name	Expended as of 9/25/2025
HHERS LLC	$305,620
New Horizons Environment LLC	$0
All Dry Services of Omaha and Lincoln	$37,186
TOTAL	**$342,776**

PROCUREMENT METHOD: Renewal

SOURCE OF FUNDS: Property operating budgets and/or Capital Grants

SPONSOR(S): Charles Karl, Capital Improvements Director
Shannon Mahnke, Chief Operating Officer

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2026 - 64
RENEWAL OF CONTRACTS FOR HAZARDOUS MATERIALS ABATEMENT

WHEREAS, the Housing Authority of the City of Omaha ("OHA") currently has contracts with H.H.E.R.S. LLC, New Horizons Environment LLC, and All Dry Services of Omaha and Lincoln, to provide hazardous material abatement services;

WHEREAS, the contracts were procured in 2022 for a one-year term with an option for renew for four additional one-year terms;

WHEREAS, the current contracts will expire in September 2026, and staff recommends renewal of the contracts for an additional one-year term;

WHEREAS, the previous cumulative amount of the contracts was $500,000, and staff recommends an increase in the contract amount of $100,000, for a total cumulative amount of $600,000, jointly, and severally; and

WHEREAS, OHA staff recommends that the OHA Board of Commissioners approve a one-year renewal of the contracts with H.H.E.R.S. LLC, New Horizons, and All Dry Services of Omaha and Lincoln, to provide hazardous material abatement services, with an increase in the contract amount of $100,000, jointly, and severally;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a one-year renewal of the contracts with H.H.E.R.S. LLC, New Horizons, and All Dry Services of Omaha and Lincoln, to provide hazardous material abatement services, with an increase in the contract amount of $100,000, jointly, and severally.

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David Levy, Chair
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

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Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.3. Resolution 2026-65 Janitorial Vacant Unit & Office Cleaning Pool, Renewal

Memorandum

To: The OHA Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: September 3rd, 2026
Re: Recommendation for Contract Renewal

RECOMMENDED ACTION:
OHA staff recommends the OHA Board of Commissioners approve the following actions regarding contract 23-JANITORIAL-92 (Janitorial Vacant Unit & Office Cleaning) with six contractors: Able Omaha Services LLC, JC-Just Clean, Gazellas Bright LLC, Hand 2 Hand Cleaning Service, Room 2 Fit, Miyawa Restoration LLC.

- Extension of contract term by 12 months

PREVIOUS ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Initial Term	$550,000	$550,000	4	9/10/2024
Renewal 1	$550,000	$1,100,000	3	9/10/2025
Renewal 2	$0	$1,100,000	2	9/10/2026

PROPOSED ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Renewal 3	$0	$1,100,000	1	9/10/2027

PROJECT COST:

Company Name	Expended as of 8/20/2026
Able Omaha Services LLC	$2,950
JC-Just Clean	$258,555
Gazellas Bright LLC	$191,285
Hand to Hand Cleaning Service	$12,180
Room 2 Fit	$0
Miyawa Restoration LLC	$0
TOTAL	**$464,970**

PROCUREMENT METHOD: Renewal

SOURCE OF FUNDS: Property operating budgets

SPONSOR(S): Charles Karl, Capital Improvements Director Shannon Mahnke, Chief

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2026 - 65
RENEWAL OF CONTRACTS FOR JANITORIAL VACANT AND OFFICE CLEANING

WHEREAS, the Housing Authority of the City of Omaha ("OHA") currently has contracts with six vendors to provide Janitorial and Office Cleaning Services;

WHEREAS, the contracts were procured in 2023 for a one-year term with an option to renew for four additional one-year terms;

WHEREAS, the current contracts will expire in September 2026, and staff recommends renewal of the contract for an additional one-year term;

WHEREAS, the previous cumulative amount of the contracts was $$1,100,000, and staff does not recommend increasing the funding, for a total cumulative amount of $1,100,000 jointly and severally; and

WHEREAS, OHA staff recommends that the OHA Board of Commissioners approve a one-year renewal of the contracts with Able Omaha Services LLC.; JC Just Clean; Gazellas Bright LLC; Hand to Hand Cleaning; Room to Fit; and Miyawa Restoration LLC. to provide Janitorial and Cleaning Services for OHA vacant units and offices, with no increase in the total contract amount of $1,100,000 jointly and severally;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a one-year renewal of the contracts with the six firms named above to provide Janitorial and Cleaning Services for OHA vacant units and offices, with no increase in the total contract amount of $1,100,000 jointly and severally.

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David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

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Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.4. Resolution 2026-66 A&E Shop Renovations Contract, Renewal & Increase

Memorandum

To: The OHA Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: September 3rd, 2026
Re: Recommendation for Contract Renewal

RECOMMENDED ACTION:
The Housing Authority of the City of Omaha (hereinafter "OHA") staff recommends the OHA Board of Commissioners approve the following action regarding contract 25-ANNEX-65 (A&E Shop Renovation) with Schemmer.

- Extension of the contract term by 12 months
- Increase of the contract amount by $10,000 for a total of $86,000

EXPLANATION:

OHA contracted with Schemmer to provide architectural and engineering services, including design and construction management, for the renovation of the Annex maintenance facility. The initial 12-month contract term began on 9/12/2025. Due to a variety of delays at the beginning of the construction phase of the project, Schemmer's involvement will extend past the initial contract term. Unexpected conditions discovered during construction required additional review and design approval by Schemmer.

PROCUREMENT METHOD: RFP

SOURCE OF FUNDS: 2025 Capital Funds Formula Grant

SPONSOR(S): Charles Karl, Capital Improvements Director
Shannon Mahnke, Chief Operating Officer

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2026 - 66
RENEWAL OF CONTRACT FOR ANNEX RENOVATION A&E

WHEREAS, the Housing Authority of the City of Omaha ("OHA") currently has a contract with Schemmer, to provide architectural and engineering design and management (A&E) to provide Renovations and Reconfiguration of the maintenance shop (aka "Annex");

WHEREAS, the contract was procured in 2025 for a twelve-month term with an option to renew for one additional 12-month term;

WHEREAS, the current contract will expire in September 2026, and staff recommends renewal of the contract for one additional 12-month term;

WHEREAS, the previous cumulative amount of the contract was $76,000, and staff recommends an increase in the contract amount of $10,000, for a total cumulative contract amount of $86,000; and

WHEREAS, OHA staff recommends that the OHA Board of Commissioners approve a twelve-month renewal of the contract with Schemmer, to provide (A&E) Renovation and Reconfiguration Services for the maintenance shop, with an increase in the contract amount of $10,000:

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves a twelve-month renewal of the contract with Schemmer, to provide (A&E) Renovation and Reconfiguration Services for the maintenance shop, with an increase in the contract amount of $10,000.

David Levy, Chair
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.5. Resolution 2026-67 Trash Removal Pool, Renewal & Increase

Memorandum

To: The OHA Board of Commissioners
From: Charles Karl, Capital Improvements Director
Date: September 3rd, 2026
Re: Recommendation for Contract Renewal

RECOMMENDED ACTION:
OHA staff recommends the OHA Board of Commissioners approve the following actions regarding contract 22-TRASHREM-61 (Trash Removal) with 7 contractors: A&B Construction and Rehab LLC, First Investment Renovation, Miyawa Restoration LLC, All Around Brown LLC, Mayhill General Contracting LLC, GS Elite Service, K&L Construction Inc

- Extension of contract term by 12 months
- Increase of contract amount by $200,000 (jointly and severally)

PREVIOUS ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Initial Term	$175,000	$175,000	4	10/2/2023
Renewal 1	$175,000	$350,000	3	10/2/2024
Renewal 2	$175,000	$525,000	2	10/2/2025
Renewal 3	$200,000	$725,000	1	10/2/2026

PROPOSED ACTION:

Action	Amount	Cumulative Amount	Renewals Available	Expiration Date
Renewal 4	$200,000	$925,000	0	10/2/2027

PROJECT COST:

Company Name	Expended as of 8/20/2026
A&B Construction and Rehab LLC	$75,130
First Investment Renovation	$0
Miyawa Restoration LLC	$0
All Around Brown LLC	$17,900
Mayhill General Contracting LLC	$76,575
GS Elite Service	$3,270
K&L Construction Inc	$504,707
TOTAL	**$677,582**

PROCUREMENT METHOD: Renewal

SOURCE OF FUNDS: Property operating budgets

SPONSOR(S): Charles Karl, Capital Improvements Director
Shannon Mahnke, Chief Operating Officer

RECOMMENDED BY: Joanie Balk, CEO

RESOLUTION NO. 2026 - 67
RENEWAL OF CONTRACTS FOR TRASH REMOVAL SERVICES

WHEREAS, the Housing Authority of the City of Omaha ("OHA") currently has contracts with A & B Construction and Rehab LLC, First Investment Renovation, Miyawa Restoration LLC, All Around Brown LLC, Mayhill General Contracting LLC, GS Elite Service, and K & L Construction Inc. to provide trash removal services for the properties;

WHEREAS, the contracts were procured in 2022 for a one-year term with an option for renew for four additional one-year terms;

WHEREAS, the current contracts will expire in October 2026, and staff recommends renewal of the contracts for an additional one-year term;

WHEREAS, the previous cumulative amount of the contracts was $725,000, jointly, and severally, and OHA staff recommends increasing the funding by an additional $200,000, for a total cumulative amount of $925,000; and

WHEREAS, OHA staff recommends that the OHA Board of Commissioners approve renewal of the contracts with A & B Construction and Rehab LLC, First Investment Renovation, Miyawa Restoration LLC, All Around Brown LLC, Mayhill General Contracting LLC, GS Elite Service, and K & L Construction for a one-year term to provide trash removal service, with an increase in the contract amount of $200,000, jointly and severally;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Omaha hereby approves renewal of the contracts with A & B Construction and Rehab LLC, First Investment Renovation, Miyawa Restoration LLC, All Around Brown LLC, Mayhill General Contracting LLC, GS Elite Service, and K & L Construction for a one-year term to provide trash removal service, with an increase in the contract amount of $200,000, jointly and severally.

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David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

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Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.6. Resolution 2026-68 ACOP Changes

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment.

HUD regulations require that the PHA comply with all equal opportunity requirements, and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for accepting applications, managing the waiting list, and selecting families from the waiting list. PHAs policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise PHA's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

> Part I: The Application Process. This part provides an overview of the application process and discusses how applicants can obtain and submit applications. It also specifies how PHA will handle the applications it receives.
>
> Part II: Managing the Waiting List. This part presents the policies that govern how PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process that PHA will use to keep the waiting list current.
>
> Part III: Tenant Selection. This part describes the policies that guide PHA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that PHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide PHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes PHA's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program

[24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application [Notice PIH 2009-36].

PHA Policy

PHA uses a two-step application process. Under the two-step application process, PHA initially requires families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

Applications for PHA's public housing program are available online via PHA's website. Families may obtain assistance or access to computers to complete application forms from the PHA's office during normal business hours. Applications must be filled out completely in order to be accepted by PHA for processing. If an application is incomplete, PHA will notify the family. PHA may deny eligibility to a person who fails to provide required information.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS [24 CFR 8; PH Occ GB, p. 68]

PHA takes a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

PHA will provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted, and the application process is fully accessible. Chapter 2 provides a full discussion of PHA's policies related to providing reasonable accommodations for people with disabilities.

4-I.D. PLACEMENT ON THE WAITING LIST

PHA may review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list. Where the family is determined to be ineligible, the PHA will notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Ineligible for Placement on the Waiting List

OHA Policy

If OHA determines from the information provided that a family is ineligible, the family will be withdrawn from the waiting list. When a family is determined to be ineligible OHA will send written notification of the ineligibility determination within a reasonable time period of receipt of the completed pre-application. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

<u>Waiting Period Restrictions for Applicants Re-Applying</u>

If an applicant has been withdrawn from the waiting list, OHA requires a waiting period of six months before the person may submit a new application. This includes applicants who were denied assistance, determined to be ineligible, or otherwise withdrawn from the waiting list as an adverse action by OHA. The waiting period begins on the date of OHA's written notice of the adverse action.

The waiting period requirements do not apply to applicants who voluntarily withdraw an application from OHA's waiting list prior to the date of notice of a unit offer, or prior to the date of notice of any adverse action by OHA. In addition, the waiting period requirements do not apply to applicants who apply when the waiting list is only open to Seniors for one-bedrooms, Applicants who are ineligible due to debts owed are able to reapply once a bad debt is paid with no additional waiting period.

Eligible for Placement on the Waiting List

PHA will send written/electronic notification that the family's application was accepted after receiving a completed application. Applications are placed on PHA's waiting list according to the date and time the application is received by PHA.

PHA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to PHA standards and local codes). However, in these cases, the family must agree not to request a transfer for one year after admission, unless they have a change in family size or composition. Within each bedroom size list, an applicant's position on the public housing waiting list will be based on any priorities or preferences for which the family is qualified, and thereafter by the date and time the complete application was received by PHA.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, PHA will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

This part presents the policies that govern how the type of waiting list PHA will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the PHA may structure its waiting list and how families must be treated if they apply for public housing at a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST

The waiting list will contain the following information for each applicant listed:

- Name of head of household
- Unit size required (number of family members)
- Amount of annual income
- Accessibility requirement, if any
- Date and time of application or application number
- Household type (family, elderly, disabled)
- Admission preference, if any
- Race and ethnicity of the head of household

PHA maintains one waiting list for its developments, one for general occupancy and one for senior housing. Within the list, PHA designates subparts by bedroom size. PHA does not have site-based waiting lists. PHA's public housing waiting list procedures are consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

HUD requires that public housing applicants must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher program that PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)]. An applicant on PHA's public housing waiting list may also maintain a position on PHA's Section 8 waiting list. An applicant may retain its position on the Section 8 waiting list even if the family is housed in PHA's public housing program. PHA does not merge its public housing waiting list with the Section 8 waiting list. PHA's public housing waiting list does include subsidized units owned or managed by PHA's affiliate, Housing in Omaha, Inc. and units subsidized with low-income housing tax credits, which may have different eligibility requirements from public housing units.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

PHA may close its public housing waiting list, in whole or in part, if it has an adequate pool of families to fully lease units in all of its developments. PHA may close the waiting list completely, or restrict intake by preference, specific housing types, or bedroom sizes of dwelling units, when PHA has determined it has an adequate pool of applicants for those specific bedroom sizes [PH Occ GB, p. 31].

OHA Policy

OHA may close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where OHA has particular preferences or other criteria that require a specific category of family, OHA may elect to continue to accept applications from these applicants while closing the waiting list to others. While a specific bedroom type on the waiting list is closed, a current applicant can be moved to a different eligible bedroom size in the event there is a change in family composition.

Exceptions for Special Admissions: OHA policies provide various exceptions when a family may be admitted to the public housing program even though the relevant waiting list is closed. Such families also would receive an absolute preference for admission. The family must meet all eligibility requirements. Examples include exceptions for relocation related to OHA repositioning; family break-up exceptions authorized by the CEO; special admission relating to failed section 8 inspections as referred to in the preference section.

Re-opening the Waiting List

If the waiting list has been closed, it may be reopened at any time. PHA will announce the reopening of the waiting list at least 3-5 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify on-line portal web address where applicants can submit their application, and current preference information is outlined. PHA will give public notice by publishing the relevant information in suitable media outlets to ensure that public notices broadly reach potential applicants in all communities throughout the housing market area. Such notice must comply with HUD fair housing requirements.

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

PHA will conduct outreach as necessary to ensure that it has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the PHA is affirmatively furthering fair housing and complying with the Fair Housing Act.

PHA may conduct special outreach to ensure that an adequate number of extremely low-income families apply for public housing. PHA's outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations

- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
    - Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA's outreach efforts are designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low-income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on the waiting list, the family must inform PHA in writing/electronic, within 10 business days of any changes regarding:

- Family size or composition
- Preference status
- Contact information, including current residence, mailing address, email, and phone number
- Any other changes that would affect the applicant's eligibility for PHA housing assistance or placement on PHA's waiting list

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size, housing type, or entitlement to a priority or preference. When an applicant reports any change that affects their placement on the waiting list, the waiting list will be updated accordingly.

The applicant may maintain its placement on the waiting list according to the date and time the original application was received, provided that the change was reported prior to the applicant's selection from the waiting list, as follows:

- When an applicant reports any changes, unless it changes the bedroom size, to PHA prior to the applicant's selection from the waiting list, the applicant will retain its placement on the waiting list according to the date and time the original application was received. When the change reported is due to family composition changes resulting in eligibility for a different bedroom size, the applicant will retain its placement on the new bedroom size waiting list according to the date and time the original application was received.

- If an applicant reports changes after the date of PHA's notice of selection from waiting list, but the reported changes would not have affected the applicant's position on the waiting list, or the order of selection from the waiting list (for example, changes in contact information or changes in family composition that would not affect the bedroom size), the applicant will retain its position according to the date and time the original application was received.

After the date of PHA's notice of the applicant's selection from the waiting list, if the applicant family subsequently reports changes that would have affected the applicant's position on the waiting list (e.g. bedroom size), the applicant will not be selected and will instead be placed in the correct order on the waitlist according to date and time the original application was received. This includes changes reported by the applicant during the application interview and final eligibility determination. The applicant will not be removed from the waiting list or be required to wait an applicable waiting period before re-application.

4-II.F. UPDATING THE WAITING LIST

Purging the Waiting List

The waiting list will be updated as needed to ensure that all applicant information is current and timely. This section establishes policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

To update the waiting list, PHA will send an update request to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the contact information that PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list. The family's response must be in writing via the online portal. If the family fails to timely respond within the specified time period, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice. If the notice is returned by the post office with a forwarding address, a new update request notice will be sent to the address indicated. If the family fails to respond within the specified time frame, the family will be removed from the waiting list without further notice.

When a family is withdrawn from the waiting list during the update process for failure to respond, PHA will give that family a reasonable period of time to respond with their interest so as to not inadvertently remove an applicant who remains interested but may have moved, changed their contact information, or otherwise are difficult to reach. No informal hearing will be offered in such cases. Such failures to act on the part of the applicant prevent PHA from making an eligibility determination; therefore, no informal hearing is required.

If a family is withdrawn from the waiting list for failure to respond, PHA will reinstate the family if the lack of response was due to PHA error, to circumstances beyond the family's control, or as a result of a family member's disability, or as a direct result of status as a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking including an adverse factor resulting from such abuse.

The decision to withdraw any application from the waiting list is subject to reasonable accommodation of disability. If an applicant did not timely respond to PHA's communications for reasons directly related to a family member's disability, PHA will reinstate the applicant family to their former position on the waiting list, upon the family's request and PHA's verification of the requested accommodation of disability [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

Removal from the Waiting List

PHA will remove an applicant from the waiting list upon request by the applicant family. In such cases, no informal hearing is required. If PHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list, the family will be removed from the waiting list. If a family is removed from the waiting list because PHA has determined the family is not eligible for admission, a notice will be sent to the families in accordance to Chapter 3.

Applicants whose applications have been withdrawn from PHA's public housing waiting list for any reason may maintain any existing position on PHA's waiting list for Section 8 or any other PHA housing program that is not included in PHA's public housing waiting list.

PART III: TENANT SELECTION

4-III.A. OVERVIEW

This part establishes PHA's tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. PHA does not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. PHA does not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

PHA shall maintain a clear record of all information required to verify that the family is selected from the waiting list according to PHA's selection policies [24 CFR 960.206(e)(2)]. PHA's policies are posted any place where PHA receives applications. PHA shall provide a copy of its tenant selection policies upon request to any applicant or tenant.

4-III.B. SELECTION METHOD

This section describes the method for selecting applicant families from the waiting list, including the system of admission preferences that PHA uses.

Local Preferences [24 CFR 960.206]

PHA has established local preferences which gives priority to serving families that meet those criteria. Local preferences established are consistent with the agency plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

OHA Policy

OHA will use the following local preferences:

- <u>Working/Elderly/Disabled Preference</u>: In order to bring higher income families into public housing, OHA has established a preference for "working" families, where the head, spouse, cohead, or sole member is currently working at least 28 hours per week during the prior six-month period. Reasonable breaks in employment during the last six months will be considered. For individuals who are self-employed, total income must be equal to or more than 28 hours at minimum wage as evidenced by tax records. To benefit from this preference, the applicant must meet the requirements at the time they claim the preference and at the time of unit offer and lease signing as required by HUD, elderly families and disabled families (families where the head and spouse, co-head or sole member is a person age 62 or older, or is a person with disabilities) will also be given the benefit of the working preference [24 CFR 960.206(b)(2)].
    - Example 1: Head of household is elderly but does not work. There is no spouse or cohead. This family receives benefit of the working preference.
    - Example 2: Head of household is 64, spouse is disabled. Neither work. This family receives benefit of the working preference.
- <u>Displacement Due to Disaster, Condemnation or Other Government Action</u>: This preference is available to applicants who have been displaced because their housing has been deemed uninhabitable by a city agency or other appropriate authority due to a disaster such as flood or fire or other cause that is not due to the fault of the applicant, the applicant's family members, household members, or guests. This priority is also available to applicants whose housing has been declared unfit for habitation by an agency of government, though

no fault of the applicant, or when the household is required to permanently move from its residence by a federal, state, or local governmental actions such as code enforcement, public improvements, or a development program.

- Seniors, (families where the head, spouse, co-head or sole member is a person 62 or older) is used for selecting out of order on the 1 and 2 bedroom wait lists in order to fill vacancies in the designated senior towers.
- CNI Relocation for Split Families: this preference is available for families at Southside Terrace Homes (CNI) Choice Neighborhood Improvement grant relocation when there is a need to split household and family members to meet Public Housing Occupancy standards.
- Section 8 tenant-based and project-based Housing Choice Voucher families who are displaced due to Housing Quality Standards (NSPIRE) failed inspections where landlords/owners are non-compliant with required repairs. This preference is available to public housing applicants where PHA programs have HCV and PH-owned units. Local preferences will be aggregated using a system in which each preference will receive an allocation of points. The more preference points an applicant has, the higher the applicant's place on the waiting list.
- The preference for working/elderly/disabled families will be equal to two points.
- The preference for victims of displacement will be equal to one point.
- The preference for seniors, 62 and over will be equal to zero points
- The preference for CNI Relocation for Split Families will be equal to ten points
- The preference for Section 8 participants displaced due to landlord failed inspection items will be equal to one point.

Applicants qualifying for more than one preference (with points applied) will thus be assigned the total accumulated of points. Among applicants who qualify for the equal amount of preference points, date and time of application will be used to determine placement on the waiting list.

Applicants may inform OHA of their eligibility for a preference at the time of initial application, or at any time while the applicant maintains a position on OHA's waiting list. Applicants will be required to complete a certification and provide documentation of their eligibility or preference. Applicants are required to notify OHA of any change in status that affects their eligibility for preferences, as provided in Section 4-II.E.

An applicant's continued eligibility for any preference will be verified again at the time of selection from the waiting list and final eligibility determination. In order to receive the benefit of the preferences, the applicant must maintain eligibility for the preferences to the time the applicant is admitted to the program.

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Admissions of extremely low-income families to PHA's housing choice voucher program during the fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances, the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the fiscal year; (2) ten percent of waiting list admissions to the housing choice voucher program during the fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family. **Units Designated for Elderly or Disabled Families [24 CFR 945]**

Some public housing developments were originally developed for elderly residents and have retained this occupancy requirement.

OHA Policy

OHA's public housing portfolio includes 4 towers designated for elderly families:

- Evans Tower
- Crown Tower
- Kay Jay Tower
- Underwood Tower

Eligibility is restricted to families whose head of household, spouse, or co-head is 62 years of age or older. Applicants with Senior preference will be selected off wait list out of order as needed to fill vacancies. If there are not enough elderly families to occupy the units in an elderly development, OHA may admit near-elderly families, which are families whose head of household, spouse, or cohead is at least 50 years old [24 CFR 945.303(c)(1); 24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, OHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any elderly family not to occupy or accept occupancy in elderly-designated housing shall not have an adverse effect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

PHA's admission policies provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. The deconcentration policies also comply with the obligation to meet income-targeting requirements [24 CFR 903.2(c)(5). A statement of the deconcentration policies is in included in PHA's annual plan [24 CFR 903.7(b)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments designated specifically for elderly or disabled families; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, PHA complies with the following steps:

Step 1. PHA will determine the average income of all families in all covered developments on an annual basis. PHA may use the median income, instead of average income, provided that the PHA includes a written explanation in its annual plan justifying the use of median income.

Step 2. PHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis. PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

Step 3. PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (federal poverty level or 30 percent of median income, whichever number is higher).

Step 4. PHA will determine whether or not covered developments having average incomes outside the EIR are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, PHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

For developments outside the EIR PHA will take one or more of the following actions to provide for deconcentration of poverty and income mixing:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments

- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the deconcentration policy. PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

Order of Selection [24 CFR 960.206(e)]

When PHA prepares to fill vacant units, PHA will select applicants from the waiting list for the bedroom size of the vacant units. PHA estimates the number of applicants needed to fill the vacancies. PHA will select this number of families from the public housing waiting list based on the applicant's preference points. Among applicants with the same number of preference points, families will be selected according to the original date and time their complete application was received by PHA.

When selecting applicants from the waiting list, PHA will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. Seniors who qualify and select the senior preference will be selected off the wait list out of order when needed to fill designated senior housing units. PHA will offer the unit to the highest-ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

4-III.C. NOTIFICATION OF SELECTION [24 CFR 960.208]

When a family has been selected from the waiting list, PHA will notify the family in writing/electronic [24 CFR 960.208]. The notice will inform the family of the following:

- Processes and timeline for completing the intake certification and eligibility verification process
- Documents that must be provided to document the legal identity of household members, including information about what constitutes acceptable documentation
- Documents that must be provided to document eligibility for a preference, if applicable
- Other documents and information needed.

4-III.D. THE ELIGIBILITY VERIFICATION PROCESS

PHA will obtain the information and documentation needed to make an eligibility determination through an online verification process. Requesting this information does not constitute admission to the program. Reasonable accommodation will be made for persons with disabilities who need assistance completing verification processes due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

All families selected from the waiting list are required to participate in an eligibility verification process. The family must provide the information necessary to establish the family's eligibility to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation.

Verification of information pertaining to adult members of the household will not begin until signed release forms are returned. Documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity) is required.

Assistance cannot be provided to the family until all SSN documentation requirements are met. Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for a period of 90 days [Notice PIH 2018-24]. If not all household members have disclosed their SSNs at the next time a unit becomes available, PHA will offer a unit to the next eligible applicant family on the waiting list.

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

Any required documents or information that the family is unable to provide must be provided within 10 business days of the request or other time period specified by PHA (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial based on the family's failure to supply information needed to determine eligibility.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

PHA will verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, PHA will make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, PHA will notify a family in writing of their eligibility. The applicant will be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

If PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for PHA's policy regarding such circumstances.

PHA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Act, and as outlined in 16-VII.C, at the time the applicant is provided assistance or at the time the applicant is denied assistance. This notice must be provided in both of the following instances: (1) when a family actually begins receiving assistance (lease execution); or (2) when a family is notified of its ineligibility.

Chapter 6

INCOME AND RENT DETERMINATIONS UNDER HOTMA 102/104

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date.

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family's rent payment. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in four parts as follows:

> Part I: Annual Income. HUD regulations specify the sources of income which are excluded from the family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.
>
> Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and PHA policies for calculating income from assets are found in Part II.
>
> Part III: Adjusted Income. Once annual income has been established, HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to adopt additional permissive deductions. These requirements and PHA policies for calculating adjusted income are found in Part III.
>
> Part IV: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice of rent.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW [24 CFR 5.609]

Annual income includes:

- All amounts, not specifically excluded in 24 CFR 5.609(b);
- All amounts received from all sources (other than those specifically excluded in 24 CFR 5.609(b)) by each member of the family who is 18 years of age or older or is the head of household or spouse;
- Unearned income (other than those sources specifically excluded in 24 CFR 5.609(b)) by or on behalf of each dependent who is under 18 years of age; and
- Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds the HUD-published threshold amount (adjusted annually and published in HUD's Inflation-Adjusted Values tables) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but did not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. However, when a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income [Notice PIH 2023-27].

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of assets.

The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Full Definition (Exhibit 6-1)
- Treatment of Family Assets (Exhibit 6-2)
- The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Overview

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition in accordance with HUD regulations and PHA policies in Chapter 9. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Minors	Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define “temporarily” or “permanently” absent or specify a timeframe associated with a temporary versus a permanent absence.

<u>OHA Policy</u>

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

<u>OHA Policy</u>

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to OHA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

<u>OHA Policy</u>

If a child has been placed in foster care, OHA will verify at annual recertification with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the reunification efforts have ended , the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

<u>OHA Policy</u>

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, PHAs may determine that that person is no longer a member of the assisted household, and the income of that person is not counted [New PH OCC GB, *Income Determinations,* p. 12].

OHA Policy

OHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Children

OHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family if they live with the applicant or participant family 51 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, OHA will make the determination based on available documents such as court orders, an IRS income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

Caretakers for a Child

OHA Policy

The approval of a caretaker is at OHA's discretion and subject to OHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving assistance, OHA will take the following actions.

If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases OHA will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. CALCULATING ANNUAL INCOME

The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.

Anticipating Annual Income [24 CFR 5.609(c)(1)]

At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.

<u>OHA Policy</u>

When OHA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), OHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to OHA to show why the historic pattern does not represent the family's anticipated income.

In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how OHA annualized projected income.

Known Changes in Income

If the PHA verifies an upcoming increase or decrease in income at admission or interim reexamination, annual income will be projected by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the new admission or interim reexamination. In such a case the PHA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then, should the change in income require the PHA to conduct an interim reexamination, conduct an interim reexamination in accordance with PHA policy in Chapter 9.

Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2); Notice PIH 2023-27]

At annual reexamination, except where the PHA uses a streamlined income determination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 9 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rent. Policies related to conducting annual reexaminations are located in Chapter 9.

6-I.D. EARNED INCOME

Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

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

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

<u>OHA Policy</u>

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

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

Military Pay

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

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

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

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

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

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, *Lease Requirements,* p. 5].

6-I.E. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]

Annual income includes "net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family."

OHA Policy

To determine business expenses that may be deducted from gross income, OHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 2.609 (b)(24)].

An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and "gig workers" like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

OHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

OHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means OHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

OHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, OHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

OHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.F. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA), which must be fully excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

Examples of assistance under title IV of the HEA include:

1. Federal Pell Grants;

2. Teach Grants;

3. Federal Work Study Programs;

4. Federal Perkins Loans;

5. Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or

6. Bureau of Indian Affairs/Education student assistance programs

    1. The Higher Education Tribal Grant

    2. The Tribally Controlled Colleges or Universities Grant Program

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

Actual covered costs are defined as the actual costs of:

7. Tuition, books, and supplies;

    3. Including supplies and equipment to support students with learning disabilities or other disabilities

8. Room and board; and

9. Other fees required and charged to a student by the educational institution.

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

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

10. For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;

11. To assist a student with the costs of higher education; or

12. To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

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

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

13. The Federal government;

14. A state, tribal, or local government;

15. A private foundation registered as a nonprofit;

16. A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

17. An institution of higher education.

Student financial assistance, does not include:

18. Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);

19. Gifts, including gifts from family or friends; or

20. Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

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

If the only financial assistance is received under 479B of the HEA, it is fully excluded. The actual covered costs do not need to be captured or verified. If the financial assistance include both 479B of the HEA and non-HEA dollars, the formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

<u>OHA Policy</u>

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

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

Example 1

1. Actual covered costs: $20,000
2. Other student financial assistance: $25,000
3. Excluded income: $20,000 ($25,000 in financial assistance - $20,000 in actual covered costs)
4. Included income: $5,000

When a student receives assistance from both Title IV of the HEA and from other sources, OHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

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

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

Example 3

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

Example 4

18. Actual covered costs: $18,000
19. Title IV HEA Assistance: $15,000
20. The remaining amount not covered by Title IV HEA assistance is $3,000 ($18,000 in actual covered costs - $15,000 in Title IV HEA Assistance)
21. Other student Financial Assistance: $5,000
22. When other student financial assistance is applied, financial assistance exceeds actual covered costs by $2,000 ($3,000 in actual covered costs - $5,000 in other financial assistance).
23. Included income: $2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

6-I.G. PERIODIC PAYMENTS [Notice PIH 2023-27]

Periodic payments are forms of income received on a regular basis.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b), and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

> <u>OHA Policy</u>
>
> OHA will not include annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.
>
> When a delayed-start payment is received that is to be included and the family reports this during the period in which OHA is processing an annual reexamination, OHA will not adjust the family's rent retroactively for the period the payment was intended to cover.
>
> If the delayed-start payment is received outside of the time OHA is processing an annual reexamination, then OHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the OHA will conduct an interim in accordance with OHA policies in Chapter 9. If not, OHA will consider the amount when processing the family's next annual recertification.

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

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

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

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

Social Security Benefits [Notice PIH 2023-27]

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

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

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

Alimony and Child Support

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child-support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].

> <u>OHA Policy</u>
>
> OHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement unless the family certifies and OHA verifies that the payments are not being made.

Family Claims No Payments Being Received: In order to verify that payments are not being made, the OHA will review child support payments over the last three months. If no payments have been made in the past three months and there are no lump sums, OHA will not include alimony or child support in annual income.

Payments Being Received: If payments are being made regularly, OHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, OHA will average all payments that have been made.

Lump Sum Payments: At new admission or interim recertification, if any lump sum payments were made in the past 12 months, OHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.

If OHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.

If OHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.

6-I.H. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

Income amounts excluded under this category may include, but are not limited to:

1. Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;

2. Payments for eviction prevention;

3. Security deposits to secure housing;

4. Payments for participation in research studies (depending on the duration); and

5. General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

6. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)].

7. Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)].

8. Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)].

9. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)].

10. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included.

11. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.I. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. The requirements are summarized below. This rule applies only if a family was receiving assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.J. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies, or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.K. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount ($52,787 for 2026), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b); FR Notice 1/31/2024]

Other exclusions contained in 24 CFR 5.609(b) and FR Notice 1/31/2024 that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].

- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27].

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].

- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].

- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].

- Income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].

- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].

- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].

- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first $2,000 of per capita shares are included in a family’s annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income.

- Replacement housing “gap” payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments [24 CFR 5.609(b)(23)].

- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27)].

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii)].

- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i)].

- Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii)].

- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

  <u>OHA Policy</u>

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

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

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

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

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

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

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

(c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.

4. Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).

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

(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).

(f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).

(g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).

(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.

(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).

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

(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.

(l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408).

(m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

(n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.

(o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).

(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.

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

(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.

(s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433). This exclusion also applies to assets.

(t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).

For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).

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

(v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).

(w) Any amounts in an "individual development account" are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).

(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.

(y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.

(z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).

(aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.

(ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

(ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).

PART II: ASSETS

6-II.A. OVERVIEW

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3.

Income from assets is always anticipated, irrespective of the income examination type.

> <u>OHA Policy</u>
>
> OHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. OHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) OHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, OHA can take into consideration past rental income along with the prospects of obtaining a new tenant.
>
> Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases, the family may present information and documentation to OHA to show why the asset income determination does not represent the family's anticipated asset income.

6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]

PHAs must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. [Notice PIH 2023-27].

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years.

Minimum Threshold

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a policy to ignore small amounts such as charitable contributions [New PH OCC GB, *Income Determinations,* p. 24].

> <u>OHA Policy</u>

OHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

<u>OHA Policy</u>

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Family Declaration

<u>OHA Policy</u>

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. OHA may verify the value of the assets disposed of if other information available to OHA does not appear to agree with the information reported by the family.

6-II.C. ASSET INCLUSIONS AND EXCLUSIONS

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds the HUD-published threshold amount (adjusted annually and published in HUD's current year Inflation-Adjusted Values tables). When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets.

1. The threshold amount is $52,787 for 2026.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs))
Furniture, carpets, linens, kitchenware	Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds)
Common appliances	Recreational boat/watercraft
Common electronics (e.g., radio, television, DVD player, gaming system)	Expensive jewelry without religious or cultural value, or which does not hold family significance
Clothing	Collectibles (e.g., coins/stamps)
Personal effects that are not luxury items (e.g., toys, books)	Equipment/machinery that is not used to generate income for a business
Wedding and engagement rings	Items such as gems/precious metals, antique cars, artwork, etc.
Jewelry used in religious/cultural celebrations and ceremonies	
Religious and cultural items	
Medical equipment and supplies	
Health care–related supplies	
Musical instruments used by the family	
Personal computers, phones, tablets, and related equipment	
Professional tools of trade of the family, for example professional books	
Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities	
Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	

OHA Policy

In determining the value of non-necessary, non-financial personal property, OHA will use the family's estimate of the value. OHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Checking and Savings Accounts [Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

1. When the combined value of net family assets is greater than the HUD-published threshold amount, which is adjusted annually and listed in HUD's current year Inflation Adjusted Values tables ($52,787 for 2026), checking and/or savings accounts would be counted toward net family assets.

2. When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

3. When the combined value of net family assets is greater than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ($52,787 for 2026), financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's financial investments such as stocks and bonds would be counted toward net family assets.

4. When the combined value of all non-necessary personal property does not the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is $0.

OHA Policy

OHA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.

The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, OHA will use the value of the account on the most recent investment report.

Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 9. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

<u>OHA Policy</u>

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $10,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets [Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

1. The asset is otherwise excluded;
2. The family can demonstrate that the asset is inaccessible to them; or
3. The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly owned asset must be included in annual income, unless:

1. The income is specifically excluded;
2. The family demonstrates that they do not have access to the income from that asset; or
3. The family only has access to a portion of the income from that asset.

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

Trusts [24 CFR 5.609(b)(2) and 5.603(b)(4)]

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from net family assets so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Further, where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

4. A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ($52,787 for 2026), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

1. A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

2. All distributions from the trust's principal are excluded from income.

3. Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of net family assets. When the subtraction results in a negative number, then net family assets are considered $0.

Asset Exclusions [24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

1. The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].

2. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)].

    1. *Real property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].

    2. Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27].

3. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];

4. The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)];

5. The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)];

6. The value of any "baby bond" account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)];

7. Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)];

8. Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)];

9. Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)];

10. Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)];

11. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)].

12. The full amount of assets held in an irrevocable trust [Notice PIH 2023-27]; and

13. The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household [Notice PIH 2023-27].

6-II.D. DETERMINING INCOME FROM ASSETS

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

OHA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, *Income Determinations,* p. 24].

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered $0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The PHA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

- The threshold amount is $52,787 for 2026.

The PHA may not calculate or include any imputed income from assets when net family assets are less than or equal to the HUD-published threshold amount [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, the PHA may not rely on self-certification. If actual returns can be calculated, the PHA must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, the PHA must calculate imputed returns using the HUD-determined passbook rate (for example, real property or a non-necessary item of personal property such as a recreational boat). Imputed income is calculated by multiplying the net cash value of the asset (found by deducting reasonable costs that would be incurred in disposing of the asset from the market value) by the HUD-published passbook rate. If the PHA can compute actual income from some but not all assets, the PHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

PART III: ADJUSTED INCOME

6-III.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611 *Adjusted income* means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) *Mandatory deductions*

(1) $500 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of $25);

(2) $550 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of $25);

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family;

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and

(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

OHA Policy

Generally, OHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), OHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, OHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. OHA may require the family to provide documentation of payments made in the preceding year. When calculating health and medical care expenses, OHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations,* p. 30].

6-III.B. DEPENDENT DEDUCTION

An allowance of $500 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $550 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(2)].

An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ten percent of annual income.

This deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the unreimbursed health and medical care expenses of all family members are included. The PHA calculates health and medical care expenses based on the family's past expenses, but accounting for any anticipated changes in expenses during the certification period.

Definition of *Medical Expenses*

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) to mean "any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed." Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.

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

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896), when requesting documentation to determine unreimbursed health and medical care expenses, the PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

OHA Policy

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

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals Surgery and medical procedures that are necessary, legal, and non-cosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502. The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.

Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.

Before placing health, medical, or disability expense bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, OHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will OHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

OHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either a health and medical care or disability assistance expenses, OHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Unreimbursed reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with disabilities may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24

CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any income exclusions are applied.

<u>OHA Policy</u>

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, OHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

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

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type, or special equipment to assist a person who is deaf or hard of hearing [Notice PIH 2023-27].

<u>OHA Policy</u>

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care [Notice PIH 2023-27]

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

<u>OHA Policy</u>

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

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

Payments to Family Members

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

Necessary and Reasonable Expenses

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

<u>OHA Policy</u>

OHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, OHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and OHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

<u>OHA Policy</u>

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either health and medical care or disability assistance expenses, OHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. CHILDCARE EXPENSE DEDUCTION

HUD defines *childcare expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age (age 12 and younger) (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of *Child* for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

> <u>OHA Policy</u>
>
> The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).
>
> In evaluating the family's request, OHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

> <u>OHA Policy</u>
>
> If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by the OHA.

Furthering Education

> <u>OHA Policy</u>
>
> If the childcare expense being claimed is to enable a family member to further their education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

OHA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Childcare Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any income exclusions are applied.

The PHA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

OHA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, OHA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Childcare Expenses

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Childcare Activities

OHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible; however, payments for childcare to relatives who do not live in the unit are eligible.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, OHA will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further their education, and (2) the family certifies, and the childcare provider verifies, that the expenses are not paid or reimbursed by any other source.

OHA Policy

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of childcare costs, OHA will use the schedule of childcare costs from a qualified local entity that either subsidizes childcare costs or licenses childcare providers. Families may present, and OHA will consider, justification for costs that exceed typical costs in the area.

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]

Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

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

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

1. The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.

2. At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.

3. At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.

    1. When an eligible family's phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

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

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

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

OHA Policy

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

General Relief

The second category is for families that can demonstrate:

1. Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or

2. The family's financial hardship is a result of a change in circumstances (as defined in PHA policy) that would not otherwise trigger an interim reexamination.

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

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

OHA Policy

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

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

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

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

Other circumstances as determined by the PHA.

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

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

<u>OHA Policy</u>

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

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

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

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

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

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

<u>OHA Policy</u>

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

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

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

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

> <u>OHA Policy</u>
>
> For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. OHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family's ability to pay their rent.
>
> Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.
>
> The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. OHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).
>
> The family must provide third-party verification of the hardship with the request. If third-party verification is not available, OHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

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

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

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

> <u>OHA Policy</u>
>
> OHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.
>
> > If OHA denies the hardship exemption request, OHA notice will also state that if the family does not agree with OHA determination, the family may request a grievance hearing.
> >
> > If the family qualifies for an exemption, OHA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.

PHAs must notify the family if the hardship exemption is no longer necessary, and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

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

6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(i)]

The PHA may adopt additional permissive deductions from annual income if they establish a policy in the ACOP. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.

If the PHA chooses to adopt permissive deductions, the PHA is not eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of those deductions. The PHA must establish a written policy for such deductions.

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than $90,000 per year.

OHA Policy

OHA has opted not to use permissive deductions.

PART IV: CALCULATING RENT

6-IV.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the PHA.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-IV.B.

Welfare Rent [24 CFR 5.628]

OHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

OHA Policy

The minimum rent for this locality is $50.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the PHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The PHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

OHA Policy

OHA chooses not to adopt optional changes to income-based rents.

Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

OHA Policy

OHA chooses not to use ceiling rents.

Utility Reimbursement [24 CFR 982.514(b); 982.514]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

> <u>OHA Policy</u>
>
> OHA will make utility reimbursements to the family.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is $15.00 or less. Reimbursements must be made once per calendar-year quarter, either prospectively or retroactively, and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship. The PHA must issue reimbursements that exceed $15.00 per month on a monthly basis.

> <u>OHA Policy</u>
>
> OHA will issue all utility reimbursements monthly.

6-IV.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

> <u>OHA Policy</u>
>
> The financial hardship rules described below do not apply in this jurisdiction because OHA has established a minimum rent of $50.

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to

public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

OHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

OHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

OHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

OHA Policy

OHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

OHA Policy

OHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption Assume the PHA has established a minimum rent of $50.			
Family Share – No Hardship		**Family Share – With Hardship**	
$0	30% of monthly adjusted income	$0	30% of monthly adjusted income
$15	10% of monthly gross income	$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
$50	Minimum rent	$50	Minimum rent
Minimum rent applies. TTP = $50		Hardship exemption granted. TTP = $15	

OHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

OHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the PHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

OHA Policy

OA will require the family to repay the suspended amount within 30 calendar days of the OHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the PHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

OHA Policy

OHA will enter into a repayment agreement in accordance with the OHA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

OHA Policy

The hardship period ends when any of the following circumstances apply:

(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.

(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-IV.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the PHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation and Individual Relief

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [24 CFR 8 and 100, PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Further, the PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with an explanation about the additional allowance required.

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company [Utility Allowance GB, p. 19; 24 CFR 965.508].

> <u>OHA Policy</u>
>
> The family must request the higher allowance and provide OHA with information about the amount of additional allowance required.
>
> OHA will consider the following criteria as valid reasons for granting individual relief:
>
>> The family's consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.
>>
>> The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted

to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.

The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, OHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or OHA may conduct an internet search for an estimate of usage or additional monthly cost.

Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all residents at move-in and with any notice of proposed allowances, schedule surcharges, and revisions. OHA will also provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

The family must request the higher allowance and provide OHA with information about the amount of additional allowance required.

At its discretion, OHA may reevaluate the need for the increased utility allowance as a reasonable accommodation at any regular reexamination.

If the excessive consumption is caused by a characteristic of the unit or OHA-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

Utility Allowance Revisions [24 CFR 965.507]

The PHA must review at least annually the basis on which utility allowances have been established and, if reasonably required in order to continue adherence to standards described in 24 CFR 965.505, must establish revised allowances.

The PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rates on which such allowances were based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective. Such rate changes are not subject to the 60-day notice [24 CFR 965.507(b)].

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)].

> OHA Policy
>
> Between annual reviews of utility allowances, OHA will only revise its utility allowances due to a rate change, when required to by the regulation.

6-IV.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. Except for non-public housing over income families, the PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

(1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.

(2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).

(3) Multiply the member maximum subsidy by the number of eligible family members.

(4) Subtract the subsidy calculated in the last step from the flat rent. This is the prorated TTP.

(5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

> OHA Policy
>
> Revised public housing flat rents will be applied to a mixed family's rent calculation at the first annual reexamination after the revision is adopted.

(6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

6-IV.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16.

Family Choice in Rents [24 CFR 960.253(a) and (e)]

With the exception of non-public housing over income families, once each year, the PHA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The PHA must document that flat rents were offered to families under the methods used to determine flat rents for the PHA.

> OHA Policy
>
> The annual OHA offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.
>
> The OHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The PHA must provide sufficient information for families to make an informed choice. This information must include the PHA's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the PHA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]

With the exception of non-public housing over-income families, a family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the PHA determines that a financial hardship exists, the PHA must immediately allow the family to switch from flat rent to the income-based rent.

> OHA Policy
>
> Upon determination by the OHA that a financial hardship exists, OHA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

1. The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance

2. The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items

3. Such other situations determined by the PHA to be appropriate

<u>OHA Policy</u>

OHA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

EXHIBIT 6-1: ANNUAL INCOME FULL DEFINITION

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b)Annual income does not include the following:

(1) Any imputed return on an asset when net family assets are less than or equal to the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; 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.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)€ of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) 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 Internal Revenue Service regulations; and

(ii) 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.

EXHIBIT 6-2: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must 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 in 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 therefor. 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 consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all nonnecessary items of personal property if the combined total value does not exceed the HUD-published threshold amount (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

EXHIBIT 6-3: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

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

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7
VERIFICATION

[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2023-27]

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date.

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on any cost of verification to the family.

The PHA must follow the verification guidance provided by HUD in Notice PIH 2023-27 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies established by the PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 960.259, 24 CFR 5.230; Notice PIH 2023-27; and HOTMAquestions@HUD.gov response 9/15/25]

Consent Forms

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 960.259(a)(1)]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886-A, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.

In addition, if a PHA chooses to distribute EIV reports via mail, email, or other methods, they must ensure compliance with the Federal Privacy Act.

OHA Policy

At admission, OHA will request that all adult family members (other than the head of household) sign consent forms stating that their EIV income information may be shared with the head of household. Adult family members with no such consent form on file will be requested to sign at annual reexamination.

Refusal by an adult family member to sign a form granting permission to provide EIV information to the head of household is not grounds for denial or termination of assistance of either the individual or the family.

If an adult family member other than the head of household fails to sign a consent form stating that their EIV income information may be shared with the head of household, the PHA will utilize EIV's "Print Household Member Information" feature to generate income reports addressed separately to each adult in the household. For example, if a household has two adults, OHA will provide one report to the head of household and a separate report to the other adult member.

The executed form will remain effective until the family is denied assistance, the individual leaves the program, or the family member provides written notification to OHA to revoke consent.

Form HUD-9886-A, Authorization for Release of Information [24 CFR 5.230(b)(1), (b)(2), (c)(4), and (c)(5); Notice PIH 2023-27]

All adult family members (and the head and spouse/cohead regardless of age) are required to sign the Form HUD-9886-A at admission. Prior to January 1, 2024, participants signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement. On or after January 1, 2024 , current program participants signed and submitted a Form HUD-9886-A at their next interim or annual reexamination. This form is only signed once. Another Form HUD-9886-A will not be submitted to the PHA except under the following circumstances:

1. When any person 18 years or older becomes a member of the family;
2. When a current member of the family turns 18; or
3. As required by HUD or the PHA in administrative instructions.

The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

OHA Policy

Prior to processing the families next recertification, OHA staff will monitor and review family members turning 18 years of age and ensure they sign the required Consent to the Release of Information Form HUD-9886-A.

The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). The PHA must also develop its own release forms to cover all other information not covered by the form HUD-9886-A.

The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines, the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].
The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.

Penalties for Failing to Consent [24 CFR 5.232]

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

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

OHA Policy

OHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy. In order for a family to revoke their consent, the family must provide written notice to OHA.

Within 10 days of the date the family provides written notice, OHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, OHA will notify the local HUD office.

7-I.C. USE OF OTHER PRGRAMS' INCOME DETERMIANTIONS [24 CFR 5.609(3) and Notice PIH2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. If the PHA adopts a policy to accept this type of verification, the PHA must include in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs. Means-tested federal public assistance programs include:

1. Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
2. Medicaid (42 U.S.C. 1396 et seq.);
3. Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
4. Earned Income Tax Credit (EITC) (26 U.S.C. 32);
5. Low-Income Housing Tax Credit (LIHTC) program (26 U.S.C. 42);
6. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (42 U.S.C. 1786);

7. Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
8. Other programs administered by the HUD Secretary;
9. Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
10. Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register*.

If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

1. Income determination effective date;
2. Program administrator's signature date;
3. Family's signature date;
4. Report effective date; or
5. Other report-specific dates that verify the income determination date.

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

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

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

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

OHA Policy

OHA will not accept other programs' determinations of income for any new admission or interim reexamination.

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c) and Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

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

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income but is not required to verify non-fixed income amounts. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

OHA Policy
OHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

7-I.D. VERIFICATION HIERARCHY [Notice PIH 2023-27].
When the PHA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires the PHA to obtain third-party verification of:

- Reported family annual income;
- The value of net family assets when the net value exceeds the HUD-published threshold, as listed in HUD's Inflation-Adjusted Values tables ;
- Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general, HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification. HUD developed a hierarchy that described verification documentation from most acceptable to least acceptable. The PHA must demonstrate efforts to obtain third-party verification prior to accepting self-certification except instances when self-certification is explicitly allowed. In order of priority, the hierarchy is:

- Highest: Level 6: Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Highest: Level 5: Up-front Income Verification (UIV) using a non-EIV system
- High: Level 4:
  - Written third-party verification from the source, also known as "tenant-provided verification"
  - Or EIV plus self-certification
- Medium: Level 3: Written third-party verification form

- Medium: Level 2: Oral third-party verification
- Low: Level 1: Self-certification (not third-party verification)

Each of the verification methods is discussed in subsequent sections below.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

7-I.E. LEVEL 5 AND 6 VERIFICATIONS: UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits for a number of individuals. PHAs may use UIV sources before or during a family reexamination.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the PHA's informal review/hearing processes.

HUD's Enterprise Income Verification (EIV) System

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.
HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.

The following policies apply to the use of HUD's EIV system.

EIV Income Report

PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual reexamination. However, PHAs are not required to use the EIV Income Report:

- At annual reexamination if the PHA used Safe Harbor verification from another means-tested federal assistance program to determine the family's income; or
- During any interim reexaminations.

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

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

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

> <u>OHA Policy</u>
> OHA will obtain an EIV Income Report for all annual reexaminations for families as part of the regular reexamination process. OHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.
>
> Income reports will be retained in resident files with the applicable annual reexamination documents or interim reexamination documents (if applicable) for the duration of tenancy.
>
> When OHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

New Hires Report [Notice PIH 2023-27]

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

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

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

OHA Policy
OHA will review the New Hires Report at annual reexamination.

No Income Reported by HHS or SSA Report

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

OHA Policy
Once available, OHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.

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

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

EIV Identity Verification

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

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

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

OHA Policy
OHA will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.
OHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the tenant. When OHA determines that discrepancies exist as a

result of PHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Reports [Notice PIH 2026-11 and Notice PIH 2023-27]

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

When the Deceased Tenants Report identifies an individual as being deceased, or when PHAs receive information by other sources (e.g., reports from family or friends, presentation of an obituary), PHAs must request confirmation of the death within 24 hours of being notified of the death of a household member. The PHA must document in the tenant record their attempts to confirm the death. Requests for confirmation may be sent by mail, email, and/or hand delivery to the head of household. If the head of household is deceased and there are no other adult household members, the PHA should attempt to confirm the death with an emergency contact person.

PHAs may provide families or emergency contacts 30 days to respond to the PHA's request for a written confirmation of death. If the family does not respond within 30 days, then the PHA may presume that the information is accurate and proceed in removing the deceased tenant from the household.

PHAs must conduct a home visit to confirm the unit is not occupied.

If the deceased individual was the head of household and there are remaining family members who are eligible adults, the PHA must follow its administrative policies to determine whether the family continues to receive assistance with a new head of household and designate who the new head of household will be.

<u>OHA Policy</u>

If the deceased individual was the head of household and minors are the only remaining household members, OHA will follow its policies regarding Caretakers for a Child in Section 6-I.B

When the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for continued occupancy. OHA may not designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.

Other EIV Reports [Notice PIH 2023-27]

The PHA is required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening and Failed Verification (Failed SSA Identity Test) reports at least monthly.

Upfront Income Verification Using Non-HUD Systems
HUD encourages PHAs to utilize other upfront verification sources such as the Work Number and web-based state benefits systems.

> OHA Policy
> OHA will utilize other upfront verification sources as available, at no cost.

7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27]
HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.

EIV + Self-Certification
EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and self-certifies that the amount is accurate and representative of current income. This practice is known as *EIV + self-certification*. When calculating income using this method, the PHA may use its discretion to determine which method of calculation is reasonable: the last four quarters combined or an average of any number of quarters. The family must be provided with the information from EIV.

> OHA Policy
> At annual reexamination, if OHA is unable to use a determination of income from a means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.
>
> OHA will follow EIV security requirements as detailed in OHA policy in Section 7-I.A. Family Consent to Release of Information. If an adult family member other than the head of household fails to sign a consent form stating that their EIV income information may be shared with the head of household, OHA will utilize EIV's "Print Household Member Information" feature to generate income reports addressed separately to each adult in the household. For example, if a household has two adults, OHA will provide one report to the head of household and a separate report to the other adult member.
>
> OHA will use an average of the last two full quarters of income listed in EIV to determine income from employment. OHA will provide the adult family member with the information in EIV. The family member will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family member disagrees with using only the last two full quarters of income listed in EIV, because of the seasonal or otherwise fluctuating nature of that family member's employment, OHA will permit the family member to sign a self-certification stating that

the average of all four quarters of income listed in EIV is accurate and representative of current annual income and use that amount for calculating annual income. If the family member disagrees and contends that the amount listed in EIV is not reflective of current income, or if less than two full quarters are available in EIV, OHA will use written third-party verification from the source as outlined below.

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

Written Third-Party Verification from the Source

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

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

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

When the family disputes EIV-reported employment income, the PHA uses written third-party verification.

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

<u>OHA Policy</u>

In general, OHA will use third-party verification from the source in the following circumstances:

At annual reexamination when EIV + self-certification is not used;

- For all new admissions; and
- For all interim reexaminations.

OHA will not use this method if OHA is able to use an income determination from a means-tested federal assistance program or if OHA uses EIV + self-certification as outlined above.

In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by OHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

OHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible. If OHA determines that third-party documents provided by the family are not acceptable, OHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.

When verification of assets held by a banking or financial institution is required, OHA will obtain one statement that reflects the current balance of the account.

When pay stubs are used, OHA will require the family to provide the two most current, consecutive pay stubs. At OHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), OHA may request additional paystubs or a payroll record.

7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]

This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. This is known as "traditional third-party verification." PHAs send a PHA-developed form directly to the third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset).

The PHA may use this method when higher forms are unavailable or are rejected by the PHA or when the family is unable to provide acceptable verification. The PHA may skip this level of verification and may instead substitute oral third-party verification before moving to self-certification.

OHA Policy

Typically, OHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.

However, on a case-by-case basis, OHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form

7-I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]

For third-party oral verification, PHAs contact sources identified by UIV techniques or by the family, by telephone or in person.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

The PHA may skip this level of verification if they attempted written third-party verification via a form and the source did not respond and move directly to self-certification.

OHA Policy

In general, OHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days, OHA will accept self-certification from the family without attempting to obtain oral third-party verification.

However, if OHA chooses to obtain oral third-party verification, OHA will document in the file the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed.

When Third-Party Verification is Not Required [Notice PIH 2023-27]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

OHA Policy

If the family cannot provide original documents, OHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

Primary Documents
Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets
HUD permits PHAs to accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

OHA Policy
OHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

7-I.I. LEVEL 1: NON-THIRD PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]
Non-third-party verification consists of a signed statement of reported income and/or expenses. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other required verification techniques.

Self-certification, however, is an acceptable form of verification when:
- A source of income is fully excluded;
- Net family assets are less than or equal to the HUD-published threshold ($52,787 for 2026) and the PHA has adopted a policy to accept self-certification;
- The family declares that they do not have any present ownership in any real property;
- A family reports zero income;
- A family states that they have non-recurring income that will not be repeated in the coming year; and/or
- The PHA has adopted a policy to implement streamlined verification for fixed sources of income.

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

OHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to OHA.

OHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to OHA and must be signed by the family member whose information or status is being verified.

All self-certifications will include the following language:
"I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)."

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

OHA Policy

OHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicle	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

identification card (including temporary ID) U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture Persons who are homeless can provide verification from a social services or homeless shelter coordinator	Hospital records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the PHA and be signed by the family member whose information or status is being verified.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing themselves to be a tenant or a member of a tenant family.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2018-24]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

The PHA must accept the following documentation as acceptable evidence of the social security number:

1. An original SSN card issued by the Social Security Administration (SSA)
2. An original SSA-issued document, which contains the name and SSN of the individual
3. An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual
4.

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available [Notice PIH 2023-27].

If the tenant's SSN is verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name and SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

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

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

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

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

> OHA Policy
>
> OHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

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

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

> <u>OHA Policy</u>
> OHA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

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

> <u>OHA Policy</u>
> OHA will verify each disclosed SSN by:
> - Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers
> - Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

> <u>OHA Policy</u>
> Once an individual's status is classified as "verified" in HUD's EIV system, OHA may or may not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

> <u>OHA Policy</u>
> If an official record of birth or evidence of social security retirement benefits cannot be provided, OHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

> <u>OHA Policy</u>
> Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

> <u>OHA Policy</u>
> Certification by the head of household is normally sufficient verification. If OHA has reasonable doubts about a marital relationship, OHA will require the family to document the marriage with a marriage certificate or other documentation to verify that the couple is married.
>
> In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

> <u>OHA Policy</u>
> Certification by the head of household is normally sufficient verification. If OHA has reasonable doubts about a divorce or separation, OHA will require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree,

signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

OHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if OHA so requests.

Foster Children and Foster Adults

OHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

OHA Policy

OHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The family claims full-time student status for an adult other than the head, spouse, or cohead, or
- The family claims a childcare deduction to enable a family member to further their education.
-

7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' Web site at www.os.dhhs.gov.

The PHA may make the following inquiries, provided it makes them of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiry about whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiry about whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance
-

Family Members Receiving SSA Disability Benefits

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

> <u>OHA Policy</u>
>
> For family members claiming disability who receive disability payments from the SSA, OHA will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, OHA will request a current (dated within the appropriate benefit year) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, OHA will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from www.ssa.gov. Once the family receives the benefit verification letter, they will be required to provide the letter to OHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

> <u>OHA Policy</u>
>
> For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and PHA verification requirements related to citizenship status. The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation. HUD strongly encourages PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25].

> OHA Policy
>
> Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless OHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp 5-3 and 5-7; HUD Secretary Letter 12/16/25]
For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

Family members under the age of 62 who claim to be eligible immigrants must provide supporting documentation of their immigration status and sign a verification consent form. Supporting documentation consists of documentation accepted by the U.S. Citizenship and Immigration Services (USCIS)—for example, a Form I-551 U.S. Permanent Resident Card. The PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The primary method for verifying eligible immigration status is USCIS's automated system, Systematic Alien Verification for Entitlements (SAVE). The PHA must determine whether the applicant's status makes them eligible for assistance consistent with Section 214. Exhibit 7-2 at the end of this chapter provides information on eligibility for HUD assistance.

Where applicable, the PHA must retain documentation of SAVE verification in tenant files. If SAVE cannot confirm an individual's eligible immigration status, or if the response in SAVE verifies an immigration status that is not eligible for assistance, then the PHA must submit a request for secondary or additional verification to USCIS within 10 days of receiving the initial results. The PHA must scan and upload information to USCIS as needed or required to obtain a verification response.

If the secondary or additional verification fails, the PHA must notify the family and inform them of their right to file an appeal with USCIS. If the family wishes to exercise their right to file an appeal with USCIS, they must submit a written request to USCIS within 30 days of the notification. USCIS will render a decision to the family and forward a copy to the PHA. Assistance must be denied when primary and secondary verification do not verify eligible immigration status and the family does not pursue a USCIS appeal or informal hearing rights, or decisions are rendered against the family through a USCIS appeal or informal hearing.

The PHA must not delay, deny, reduce, or terminate assistance because of a delay in the process of determining eligible status, unless the family causes the delay. While the PHA may not admit any individual prior to receiving required documentation, the PHA may elect to provide prorated assistance to the family prior to completing the verification process.

Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. The head of household must sign a statement listing all family members who do not claim to be citizens, nationals, or eligible immigrants, or whose status cannot be confirmed [HUD Secretary Letter 12/16/25].

7-II.H. VERIFICATION OF PREFERENCE STATUS
The PHA must verify any preferences claimed by an applicant that determined their placement on the waiting list.

> OHA Policy
> OHA offers a preference for families in the HCV families whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame, and who were unable to lease a new unit within the term of the voucher, described in Section 4-III.B.
>
> OHA will verify this preference through review of internal HCV program records.
> OHA also offers a preference to a family that includes a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking who are seeking an emergency transfer under VAWA from the PHA's Housing Choice Voucher program or other covered housing program operated by the PHA as described in Section 4-III.B.
> OHA will verify this preference through review of internal records, and will follow VAWA documentation requirements outlined in Section 16-VII.D.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6 of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

> OHA Policy
> OHA does not accept Safe Harbor.

7-III.A. EARNED INCOME
Tips

> OHA Policy
> Unless tip income is included in a family member's W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be

required to sign a certified estimate of tips received for the prior year or tips anticipated to be received in the coming year.

Wages

OHA Policy

When OHA requires third-party verification of wages, for wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

The PHA must obtain written, third-party verification when the income type is not available in EIV. This includes income from self-employment.

OHA Policy

Business owners and self-employed persons will be required to provide:

- Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.).
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
-

For self-employed individuals will fill out a self-employment affidavit.

For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), OHA will provide a format for the individual to declare their income and expenses. OHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.

OHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations, if taxes were not filed within the last three years. At any reexamination OHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

Social Security/SSI Benefits
Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the appropriate benefit year) for each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, the PHA must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as $450.80 and EIV displays the amount as $450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.

If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must request a current SSA benefit verification letter (dated within the appropriate benefit year) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.

Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

OHA Policy

If an EIV income report must be provided to the family, OHA will follow EIV security requirements as detailed in OHA policy in Section 7-I.A. Family Consent to Release of Information.

7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

OHA Policy

Verification will be obtained in the following order of priority:

- Copies of the receipts and/or payment stubs for the 12 months prior to OHA request
- Third-party verification form from the state or local child support enforcement agency
- Third-party verification form from the person paying the support
- Family's self-certification of amount received

Note: Families are not required to undertake independent enforcement action.

7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

OHA Policy

OHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, OHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7-III.F. ASSETS AND INCOME FROM ASSETS

Net Family Assets [24 CFR 5.603]

At admission and reexam, for families with net assets less than or equal to the HUD-published threshold listed in HUD's current year Inflation-Adjusted Values tables ($, the PHA may, but is not required to, accept the family's self-certification that the family's assets do not exceed the HUD-published threshold without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from assets which must be included in the family's income. This includes declaring income from checking and savings accounts which, although these may be excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed the HUD-published threshold), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets.

For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.

PHAs who choose not to accept self-certifications of assets must verify all families' assets on an annual basis.

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

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

> <u>OHA Policy</u>
> OHA will not accept the family's self-certification of the value of family assets and anticipated asset income. The family will be required to provide third-party verification of net family assets every three years.
>
> In determining the value of checking or savings accounts, OHA will use the current balance.
> In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, OHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2); Notice PIH 2023-27]
The PHA must determine whether a family has present ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapters 3 and 13. The PHA may accept a self-certification from the

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

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

If the family declares they have present ownership in real property, OHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence.

However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, OHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.G. NET INCOME FROM RENTAL PROPERTY

OHA Policy
The family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income), along with proof of filing.
- If schedule E was not prepared, OHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
-

7-III.H. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are less than or equal to the HUD-published threshold listed in HUD's current year Inflation-Adjusted Values tables ($52,787 for 2026), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than the HUD-published threshold.

7-III.I. RETIREMENT ACCOUNTS

OHA Policy

OHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.J. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to verify the income using third-party verification, document why third-party verification is not available, or report the income on the form HUD-50058. *Fully excluded income* is defined as income where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD (for example, food stamps, earned income of a minor, or foster care funds).

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the form HUD-50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student other than the head of household, spouse, or cohead).

> <u>OHA Policy</u>
> OHA will accept the family's signed application or reexamination form as self-certification as verification of fully excluded income. OHA may request additional documentation if necessary to document the income source.
>
> OHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.K. ZERO INCOME FAMILIES [Notice PIH 2023-27]

PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet at admission or periodically after admission to determine if they have any sources of unreported income or searching any UIV sources for unreported income.

In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR 5.609(b)(24)(vi)].

PHAs may accept a self-certification of zero income from the family without taking any additional steps to verify zero reported income. HUD does not require such self-certifications be notarized.

PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

> <u>OHA Policy</u>
> OHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by families claiming to have zero annual income.

OHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, OHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.

OHA will only conduct interims in accordance with OHA policy in Chapter 9.

7-III.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. Assistance received under section 479-B of the Higher Education Act (HEA) in excluded. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are included [24 CFR 5.609(b)(9)(ii)].

OHA Policy

OHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, OHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution. OHA will not request verification of actual covered costs when the student's only source of assistance falls under Title IV of the HEA.

If OHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. The PHA will verify that:

1. Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or cohead of the family and is not a foster child
2. Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full-time student
3.

Elderly/Disabled Family Deduction

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The PHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION

Policies related to medical expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. The PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

OHA Policy

Medical expenses will be verified through:

- Written third-party documents provided by the family, such as pharmacy printouts or receipts.
- OHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. OHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.
- Written third-party verification forms if the family is unable to provide acceptable documentation.
- If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Before placing bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

In addition, OHA must verify that:

1. The household is eligible for the deduction.
2. The costs to be deducted are qualified health and medical care expenses.
3. The expenses are not paid for or reimbursed by any other source.
4. Costs incurred in past years are counted only once.

Eligible Household

The health and medical care expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities. The PHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

Qualified Expenses
To be eligible for the health and medical care expense deduction, the costs must qualify as medical expenses. See Chapter 6 for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses
To be eligible for the health and medical care expense deduction, the costs must not be reimbursed by another source.

> <u>OHA Policy</u>
> The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

> <u>OHA Policy</u>
> When anticipated costs are related to on-going payment of medical bills incurred in past years, OHA will verify:
> - The anticipated repayment schedule
> - The amounts paid in the past, and
> - Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES
Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. The PHA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

Attendant Care

OHA Policy

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or cancelled checks.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Before placing bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, OHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

OHA Policy

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, OHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in Chapter 6.).
- The expense is not reimbursed from another source (as described in Chapter 6.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

<u>OHA Policy</u>

OHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

<u>OHA Policy</u>

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILDCARE EXPENSES
Policies related to childcare expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the PHA must verify that:

1. The child is eligible for care (under the age of 134).
2. The costs claimed are not reimbursed.
3. The costs enable a family member to work, actively seek work, or further their education.
4. The costs are for an allowable type of childcare.
5. The costs are reasonable.

Eligible Child
To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense
To be eligible for the childcare deduction, the costs must not be reimbursed by another source.

> <u>OHA Policy</u>
> The family and the care provider will be required to certify that the childcare expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity
The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

> <u>OHA Policy</u>
> *Information to be Gathered*
> OHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.
>
> *Seeking Work*
> Whenever possible OHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases OHA

will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to OHA any reports provided to the other agency.

In the event third-party verification is not available, OHA will provide the family with a form on which the family member must record job search efforts. OHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education
OHA will request third-party documentation to verify that the person permitted to further their education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment
OHA will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Childcare
The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

<u>OHA Policy</u>
OHA will verify that the type of childcare selected by the family is allowable, as described in Chapter 6.

OHA will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

OHA will verify that the childcare provider is not an assisted family member in the same unit. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses
Only reasonable childcare costs can be deducted.

OHA Policy
The actual costs the family incurs will be compared with OHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, OHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Exhibit 7-1: Summary of Documentation Requirements for Noncitizens
[HCV GB, pp. 5-9 and 5-10)

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
    - Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

0. Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

<table>
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Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
Form I-94 Arrival-Departure Record annotated with one of the following:

“Admitted as a Refugee Pursuant to Section 207”
“Section 208” or “Asylum”
“Section 243(h)” or “Deportation stayed by Attorney General”
“Paroled Pursuant to Section 221 (d)(5) of the USCIS”

</td>
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Form I-94 Arrival-Departure Record with no annotation accompanied by:

A final court decision granting asylum (but only if no appeal is taken);
A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
A court decision granting withholding of deportation; or
A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

</td>
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Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

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<td>Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.</td>
</tr>
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A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register

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Chapter 9

REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

This chapter is applicable until the PHA's HOTMA 102/104 compliance date.

With the exception of non-public housing over income families, PHA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. PHA must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which PHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires PHA to offer all families the choice of paying income-based rent or flat rent at least annually. PHA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

> Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.
>
> Part II: Reexaminations for Families Paying Flat Rents. This part contains PHA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains PHA's policies for conducting annual updates of family composition for flat rent families.
>
> Part III: Interim Reexaminations. This part includes HUD requirements and PHA policies related to when a family may and must report changes that occur between annual reexaminations.
>
> Part IV: Non-Interim Reexamination Transactions. This part describes transactions that do not entail changes to the family's adjusted income.
>
> Part V: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, PHA must recalculate the tenant rent. While the basic

policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME-BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the PHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. For any non-public housing over income families, the PHA may not conduct an annual reexamination of family income.

Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the PHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.The PHA is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of PHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains PHA's policies for conducting annual reexaminations.

9-II.B. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a)(1)].

OHA Policy

Generally, OHA will schedule annual reexaminations to coincide with the family's anniversary date. OHA will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, OHA will not perform a new reexamination, and the anniversary date will not be changed, with the exception of dual program Public Housing/LIHTC.

OHA may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain information needed to conduct annual reexaminations. The PHA will give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The PHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

OHA Policy

Annual reexaminations are completed in the on-line portal. Families unable to complete the portal without assistance will be scheduled for an in-person appointment. Annual reexaminations will be conducted by mail. Notification of the annual reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to OHA, and the deadline for providing it. Documents will be accepted by mail, by email, by fax, or in-person.

OHA will, however, conduct reexaminations in person if the family requests assistance in providing information or documentation requested by OHA or if requested as a reasonable accommodation. Reasonable accommodation requests will be handled in accordance with policies in Chapter 2. An advocate, interpreter, or other assistant may assist the family in the interview process. The family and OHA must execute a certification attesting to the role and the assistance provided by any such third party.

Further, an in-person interview may be scheduled if the required paperwork is not returned timely, or if it is returned timely but is not complete.

If the reexamination notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 13) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

Annual reexaminations are completed in the on-line portal. Families unable to complete the portal without assistance, will be scheduled for an in-person appointment, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact PHA to request a reasonable accommodation (see Chapter 2).

Notification of annual reexaminations will be sent by first-class mail/email and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

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

If a family fails to attend two scheduled interviews without OHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

9-II.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

OHA Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a reexamination form, as well as supporting documentation related to the family's income, expenses, and family composition.

If the family does not provide required documents within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PHA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

OHA Policy

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.

If OHA proposes to terminate assistance based on lifetime sex offender registration information, OHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13.)

Compliance with Community Service

For families who include nonexempt individuals, the PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for PHA's policies governing compliance with the community service requirement.

9-II.D. EFFECTIVE DATES

As part of the annual reexamination process, the PHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

OHA Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If OHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by OHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If OHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by OHA.

- If the family causes a delay in processing the annual reexamination, d*ecreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by OHA by the date specified, and this delay prevents OHA from completing the reexamination as scheduled.

PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS [24 CFR 960.25 3(f))]

9-II.A. OVERVIEW

HUD requires that PHAs offer all families the choice of paying income-based rent or flat rent at least annually. PHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR

960.25 3(f) The PHA is only required to provide the amount of income-based rent the family might pay in those years that the PHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)]. However, these regulations are not applicable to over-income families. Once an over-income determination is made, the PHA must conduct an interim reexamination at 12 and 24 months, as applicable, to determine if the family remains over-income [Notice PIH 2023-03].

As it does for families that pay income-based rent, the PHA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains PHA's policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

OHA Policy

For families paying flat rents, OHA will conduct a full reexamination of family income and composition once every 3 years.

However, for flat rent families who become over-income between full annual reexaminations. OHA will conduct an interim reexamination at 12 and 24 months following the initial over-income determination as needed to verify the family remains over-income. The family will continue to be given a choice between income-based and flat rent at each annual reexamination during the over-income grace period.

If the family is subsequently determined to no longer be over-income:

- If the determination is the result of an annual reexamination, the family will be given a choice between income-based or flat rent at reexam. If the family selects flat rent, OHA will resume reexamination of family income and composition once every three years.
- If the determination is as a result of an interim reexamination, OHA will conduct an annual reexamination for the family at their next scheduled annual date. If the family selects flat rent, OHA will resume reexamination of family income and composition once every three years. Families will only be given the choice between income-based and flat rent at annual reexamination.

Reexamination Policies

OHA Policy

In conducting full reexaminations for families paying flat rents, OHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

9-II.C. REEXAMINATION OF FAMILY COMPOSITION ("ANNUAL UPDATE")

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require PHA to conduct a reexamination of family composition ("annual update") [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that PHA does not collect information about the family's income, expenses, and the family's rent is not recalculated following an annual update.

Scheduling

The PHA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

OHA Policy

For families paying flat rents, annual updates will be conducted in each of the 2 years following the full reexamination.

In scheduling the annual update, OHA will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

OHA Policy

Generally, the family will not be

required to attend an interview for an annual update. However, if OHA determines that an interview is warranted, the family may be required to attend.

Notification of the annual update will be sent by first-class mail/email and will inform the family of the information and documentation that must be provided to OHA. The family will have 10 business days to submit the required information to OHA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. OHA will accept required documentation by mail, by email, by fax, or in person.

If the family's submission is incomplete, or the family does not submit the information in the required time frame, OHA will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to OHA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. PHA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

OHA Policy

Each household member age 18 and over will be required to execute a consent form for criminal background check as part of the annual update process.

Compliance with Community Service

For families who include nonexempt individuals, PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for PHA's policies governing compliance with the community service requirement.

PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4 and Notice PIH 2023-27]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual reexaminations. HUD and PHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances PHA must process interim reexaminations to reflect those changes. A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the PHA generally should conduct the interim reexamination not longer than 30 days after the PHA becomes aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income and household composition.

HUD recommends as a best practice that PHAs maintain documentation of all reported changes in the family's file, including those that did not result in an interim reexamination.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

PHA must require families to report changes in family composition however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition [24 CFR 960.257(b)(5)].

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

> OHA Policy
>
> All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates) within 10 days of the change.

Conducting Interims [Notice PIH 2023-27]

PHAs must conduct interim reexaminations when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides. An interim reexamination is processed to add the new member regardless of whether the change results in a decrease, increase, or no change in the family's annual adjusted income.

The exception to this policy is if, during the last three months of the family's recertification period, the family is adding or removing household members and the change would require an interim reexamination for an increase in the family's adjusted income, and the PHA has a written policy not to conduct interim reexaminations under these circumstances, then the PHA is not required to conduct an interim reexamination. If PHA policy allows for this, the PHA would instead include the change in household composition (and any related changes to income or allowances) at the family's next annual reexamination. A non-interim reexam transaction is not submitted in this case.

OHA Policy

OHA will not conduct an interim reexamination when a family has a change in family composition within three months of the annual reexamination effective date. OHA will add the new household member at the family's annual reexamination.

Otherwise, interim reexaminations are always conducted for changes in household composition. Changes to the household's adjusted income are processed as follows:

- When the addition or removal of a household member changes the deductions for which the family qualifies, the PHA processes the interim increase or decrease regardless of the amount of the change.
- When a household member is added who has earned income that would cause the household's adjusted income to increase, the PHA must not consider increases in earned income, unless the family has previously received an interim reduction during the same reexamination cycle, and PHA policy allows for an interim reexamination in this circumstance. If the increase is not considered, then an interim reexamination is processed to add the new member, but their income is not added until the family's next annual reexamination.

OHA Policy

When a household member is added who has earned income that would cause the household's adjusted income to increase between annual reexaminations, OHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination. OHA will process an interim to add the new member, but their income will not be added until the family's next annual reexamination.

- When a new household member is added who has unearned income, the PHA must process an interim reexamination regardless of the amount of the increase.
- When a new household member is added who has both earned and unearned income, the PHA must not consider increases in earned income, unless the family has previously received an interim reduction during the same reexamination cycle, and PHA policy allows for an interim reexamination in this circumstance. For the unearned income, the PHA processes the interim increase regardless of the amount of the increase.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify PHA of the addition [24 CFR 966.4(a)(1)(v)].

OHA Policy

The family must inform OHA of the birth, adoption, or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

PHA may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which PHA consent will be given or denied. Under such policies, the factors considered by PHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- PHA 's obligation to make reasonable accommodation for persons with disabilities.

OHA Policy

Families must request OHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 1 consecutive days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by OHA prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter 12), HA will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by OHA. Exceptions will be made on a case-by-case basis.

OHA will not approve the addition of a new family or household member unless the individual meets OHA's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If OHA determines that an individual does not meet OHA's eligibility criteria or documentation requirements, OHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

OHA will make its determination within 10 days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

The family must promptly notify the PHA if any household member (including a live-in aide, foster child, or foster adult) no longer lives in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

OHA Policy

If a family member ceases to reside in the unit, the family must inform OHA within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

OHA will process an interim if the family's adjusted income will decrease as a result of a family member permanently moving out of the unit.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

OHA Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

Interim reexaminations for changes in income or expenses may be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Interim Decreases [24 CFR 960.257(b)(2) and Notice PIH 2023-27]

A family may request an interim determination of family income for any change since the last determination. However, the PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income, with the exception of circumstances in which household members are added or removed, as discussed in Section 9-III.B. The PHA may set a lower threshold in PHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits the PHA from setting a dollar-figure threshold. The PHA must conduct an interim reexamination when a family's annual adjusted income has changed by an amount that the PHA estimates will result in a decrease of 10 percent or more in annual adjusted income. In addition to decreases in family income, increases in a family's deductions may produce a sufficient decrease in annual adjusted income to require an interim reexamination.

OHA Policy

OHA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.

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

Increases Less than 10 Percent

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

Increases 10 Percent or Greater

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

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

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

> OHA Policy
>
> When a family reports an increase in their earned income between annual reexaminations, OHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.
>
> OHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.
>
> OHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with OHA policies in Chapter 15.

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

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

Cumulative Increases [Notice PIH 2023-27]

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

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

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

Family Reporting

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

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

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].

<u>OHA Policy</u>

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 days of the date the change takes effect. The family may notify OHA of changes either in the on-line portal, orally or in writing, including email. If the family provides oral notice, OHA will also require the family to submit the changes in writing, including email.

Within 10 days of the family reporting the change, OHA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, OHA will note the information in the tenant file but will not conduct an interim reexamination. OHA will send the family written notification (which may be emailed) within 10 days of making this determination informing the family that OHA will not conduct an interim reexamination.

If the change will result in an interim reexamination, OHA will determine the documentation the family will be required to submit based on the type of change reported and OHA policies in Chapter 7. OHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 days of receiving a request from OHA. This time frame may be extended for good cause with OHA approval. OHA will accept required documentation by mail, email, or in person. OHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if OHA determines that an interview is warranted, the family may be required to attend.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Changes Reported Timely [24 CFR 960.257(b)(6) and Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [24 CFR 960.257(b)(6)(ii) and (iii) and Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.

- For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination.

However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination; or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

<u>OHA Policy</u>

OHA considered timely reporting to be within 10 days of the change.

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, OHA will apply the decrease the first of the month following completion of the interim reexamination.

However, OHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to OHA management operations. OHA will decide to apply decreases retroactively on a case-by-case basis.

When OHA applies the results of interim increases retroactively, OHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with OHA policies.

PART IV: NON-INTERIM REEXAMINATION TRANSACTIONS

Notice PIH 2023-27

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

PART V: RECALCULATING TENANT RENT

9-V.A. OVERVIEW

For those families paying income-based rent, the PHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-V.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

> OHA Policy
>
> Unless OHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

9-V.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the PHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the PHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the PHA's schedule of Utility Allowances for families in the PHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the PHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the PHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the PHA's grievance procedure [24 CFR 966.4(c)(4)].

> OHA Policy
>
> The notice to the family will include the family share of the rent. The notice will state the family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

9-V.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

Staff are processing the March 1 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA since the last annual reexamination. The SSA-published COLA is 7 percent.	
Last reexamination – Annual Reexamination	
Ruby: Wages: $30,000	Georgia: SSI: $10,980 ($915 monthly)

Ruby:

Wages Total: $33,651

Quarter 3 last year: $8,859 (City Public School)

Quarter 2 last year: $8,616 (City Public School)

Quarter 1 last year: $8,823 (City Public School)

Quarter 4 previous year: $7,353 (City Public School)

Georgia:

SSI Total: $10,980

Last year: $915 monthly benefit

Income Reported on Reexamination Application	
Ruby: Wages at City Public School: $32,000 (switched jobs but no permanent change to amount)	Georgia: SSI benefits: $10,980 (no changes)
Calculating Ruby's wages: Step 1: Determine prior annual income from EIV (i.e., Q4 previous year through Q3 last year: $33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).	Calculating Georgia's SSI benefit: Step 1: Determine the prior annual income from EIV (i.e., $915 x 12 months: $10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).

Step 3: Ruby certifies that the $33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use $33,651 for annual wages for the March 1 annual reexamination given there have been no additional changes to annual income.	Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the March 1 annual reexamination: COLA: $64.05 ($915 x 0.07) New gross SSI benefit: $11,748.60 ($979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.	
Summary of Annual Income (as reported on the HUD-50058)	
Ruby (Head of Household): Other Wage: $33,651 Myers Family Total Annual Income: $45,399	Georgia (Other Youth Under 18): SSI: $11,748

Staff are processing Paul Hewson's May 1 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from $28,000 to $7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective July 1. After the July 1 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
May 1 Annual Reexamination
Wages: $28,000

Wages Total: $18,271

Quarter 3 last year: $2,500 (Viking Bakery)

Quarter 3 last year: $796 (Sweet Tooth Candy Bar)

Quarter 2 last year: $1,300 (Sasha's Sweets)

Quarter 2 last year: $584 (Larry's Concessions)

Quarter 2 last year: $2,401 (Viking Bakery)

Quarter 1 last year: $6,500 (Sasha's Sweets)

Quarter 4 previous year: $600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application
Wages: $0 (permanent change; no longer receiving) Social Security: $14,400 ($1,200 monthly) Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of $18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of $1,200 effective March 1.
Calculating Wages and SS Benefit
Step 1: Determine prior annual income taking into consideration the July 1 interim reexamination (i.e., EIV wages reflected Q4 last year through Q3 this year: $18,271) Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a July 1 interim that reduced wages to $7,500. Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all. Process the annual reexamination effective May 1 using annual SS income of $14,400 and $0 wages.

Summary of Annual Income (as reported on the HUD-50058)
Paul (Head of Household): $14,400 (SS) Hewson Family Total Annual Income: $14,400

Staff are processing the November 1 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On February 14 of this year, Samantha reported her monthly child support payment was reduced from $200 to $100 per month. An interim reexamination was not processed because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA did not establish a lower threshold. Samantha did not report any additional changes to the PHA.	
Last reexamination – November 1 Annual Reexamination	
Samantha: Business income: $28,000 VA disability pension: $12,000 Child support: $2,400	Fergus: Wages: $8,250 Other non-wage income: $3,000 (Go Fund Me online fundraiser)

Samantha:

Wages Total: $0 (no wage data reported since Q1 last year)

Fergus:

Wages Total: $8,600

Quarter 1 this year: $2,100 (Ian's Fish 'n' Chips)

Quarter 1 this year: $500 (Claire's Healthcare Supplies)

Quarter 4 last year: $1,000 (Claire's Healthcare Supplies)

Quarter 3 last year: $1,800 (The Onion Garden Shop)

Quarter 2 last year: $3,200 (Ivar's Fish Haus)

<u>Current Family Circumstances: Income Reported on Reexamination Application</u>

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA for the November 1 annual reexamination.

Samantha:	Fergus:
Business income: \$28,750 (last year); has decreased to \$18,000 (permanent change)	Wages: \$6,000
VA disability benefit: \$12,000 (last year); has increased to \$12,300 (permanent change)	
Child support: \$2,400 (last year); has decreased to \$1,200 (permanent change)	

<u>Calculating Samantha's Net Business Income</u>

Step 1: Determine prior annual net business income (i.e., \$28,000 on last HUD–50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to \$18,000. The PHA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is \$18,000. Process the annual reexamination effective November 1 using annual net business income determined in Step 3.

<u>Calculating Samantha's VA Pension Income</u>

Step 1: Determine prior annual VA pension income (i.e., \$12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was \$1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The PHA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of $1,025, or $12,300 annually. Process the annual reexamination effective November 1 using annual VA pension income determined in Step 3 ($12,300 in this example).
<u>Calculating Samantha's Child Support Income</u> Step 1: Determine prior annual child support income (i.e., $2,400 on the last HUD–50058). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from $200 to $100 monthly, but the change was not processed because it did not meet the threshold. Step 3: The family reported changes, so the PHA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular $100 monthly child supports payments beginning March 1 through the current month. Process the annual reexamination effective November 1 using current annual child support income determined in Step 3 ($1,200 in this example).
<u>Calculating Fergus' Wages</u> Step 1: Determine prior annual income from wages in EIV (i.e., Q2 last year through Q1 of this year: $8,600). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. Step 3: There is a discrepancy between what the family reported and EIV, so the PHA must verify and adjust to reflect current annual income from wages. Fergus reported $6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA projected annual income of $7,800 based on the two paystubs for this employer, and EIV shows $8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA must do the following: • Resolve the discrepancy between EIV wages, the $6,000 annual income Fergus reported, and the $7,800 projected based on the paystubs he provided, and • Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies.

The PHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of $9,000. The PHA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn $9,360 annually. Process the annual reexamination effective November 1 using income from wages determined in Step 3 ($9,360 in this example).

<table>
<tr><td colspan="2"><u>Calculating Fergus' Other Non-Wage Income</u>

Step 1: Determine prior annual income from other non-wage income (i.e., $3,000 on the last HUD– 50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The PHA must verify and adjust to reflect current non-wage income. The PHA must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective November 1 using annual non-wage income of $0 determined in Step 3.</td></tr>
<tr><td colspan="2"><u>Summary of Annual Income (as reported on the HUD-50058)</u></td></tr>
<tr><td>Samantha (Head of Household):

Own business: $18,000

Pension: $12,300

Child support: $1,200</td><td>Fergus (Co-head):

Wages: $9,360</td></tr>
<tr><td colspan="2">Poole Family Total Annual Income: $40,860</td></tr>
</table>

Memorandum

TO: OHA Board of Commissioners

FROM: Susan Gilroy, Director of Compliance

DATE: September 3, 2026

SUBJECT: **Recommendation to approve revisions to the Admission and Continued Occupancy Plan (ACOP)**

RECOMMENDED ACTIONS:

The Housing Authority of the City of Omaha (hereinafter "OHA") staff recommends that the OHA Board of Commissioners approve revisions of OHA's Admission and Continued Occupancy Plan (ACOP)

PREVIOUS ACTIONS:

OHA's Board approved previous versions of the ACOP.

EXPLANATION:

OHA uses an ACOP template purchased from Nan McKay & Associates, which is considered an industry standard and reflects best practices. For 2026, several ACOP chapters have been brought current with all recent HUD requirements and guidance. The plan also includes major revisions for HOTMA related chapters and policy updates as noted below:

Chapter 3
Revisions for C.E.O. to make exceptions to Family Breakup and Remaining Member of Tenant Family policy

Chapter 4
Update to Introduction section for Applications, Waiting List and Tenant Selection and revisions to Closing the Wait List for exceptions to occur while the waiting list is closed with C.E.O approval.

Chapter 6
Income chapter have been completely revised to include all related HOTMA requirement and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/27**.**

Chapter 7
Verification chapter have been completely revised to include all related HOTMA requirement and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/27.

Chapter 9
Reexamination chapter have been completely revised to include all related HOTMA requirement and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/27.

Recommended by: Susan Gilroy, Director of Compliance, Philisa Smith, HCV Director, Maranda Buckley, Assistant Director of Compliance and Eligibility

Chapter 3

ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the public housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed for the PHA to confirm eligibility.

To be eligible for the public housing program, the applicant family must:

- Qualify as a family as defined by HUD and the PHA.
- Have income at or below HUD-specified income limits.
- Qualify on the basis of citizenship or the eligible immigrant status of family members.
- Provide social security number information for household members as required.
- Consent to the PHA's collection and use of family information as provided for in the PHA's consent forms.
- Not currently receiving a duplicative subsidy.
- Upon PHA's implementation of HOTMA, meet net assets and property ownership restriction requirements.

In addition, PHA's eligibility determination considers certain current or past conduct, such as criminal activity, relevant to an applicant's ability to comply with lease and program requirements.

This chapter contains three parts:

> Part I: Definitions of Family and Household Members. This part contains definitions of family and household members, and related persons such as live-in aides and guests.
>
> This part also explains initial and ongoing eligibility issues related to these members, for example, how to handle family break-ups or family members absent from the household.
>
> Part II: Basic Eligibility Criteria. This part discusses rules regarding income eligibility, citizenship, social security numbers, and family consent.
>
> Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct including criminal activity that can result in denial of admission as well as the asset limitation for public housing.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members and explain HUD's eligibility rules.

3-I.B. FAMILY & HOUSEHOLD

[24 CFR 5.105(a)(2), 24 CFR 5.100, 24 CFR 5.403, Notice PIH 2023-17 and FR Notice 2/14/23]

The terms of *family* and *household* have different meanings in the public housing program.

Family

To be eligible for admission, an applicant must qualify as a family. Family as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care or will leave foster care within 90 days, in accordance with transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(h), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together. Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, and the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualify as a family.

- Gender Identity means actual or perceived gender characteristics.
- Sexual orientation means homosexuality, heterosexuality, or bisexuality.

OHA Policies

A family also includes two or more individuals who are not related to blood, marriage, adoption, or other operation of law.

Each family must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the PHA's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, stalking, or human trafficking the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, stalking, and human trafficking see section 16-VII.D ACOP.)
- If a court determines the disposition of property between members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance.

OHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may submit a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will retain occupancy of a unit based on occupancy standards. Other family members may submit a new application with a new application date if the waiting list is open.

- Adult family members who are removed from the lease must confirm in writing and provide forwarding address.

If a court determines the disposition of property between members of an applicant or resident family, the OHA will abide by the court's determination.

- C.E.O. can approve exceptions in emergency situations.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which includes one or more members of a resident family who remain in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head of household for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

OHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

OHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

OHA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

3-I.F. DEPENDENTSAND MINORS[24 CFR 5.603]

A *minor* is a member of the family, other than the head of family or spouse, who is under 18 years of age.

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student. Per HUD rules, the following persons can never be dependents: the head of household, spouse, cohead, foster children, foster adults, and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

OHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, OHA will make the determination based on available documents such as court orders, school records, receipt of state benefits, IRS income tax returns showing which family has claimed the child for income tax purposes, or other credible documentation.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. PHA's determination of whether a program of study or training constitutes a "full-time" program will be governed by the educational institution's definition of "full-time" enrollment. Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY & NEAR-ELDERLY PERSONS & FAMILIES

[24 CFR 5.100, 5.403, 945.105, and FR Notice 02/03/12]

Elderly Person

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Person

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is a family in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for the elderly family allowance and the medical allowance as described in Chapter 6. In addition, a family's status as an "elderly family" may qualify the family for housing designated for elderly and near-elderly families, as noted in Chapter 4.

Near-Elderly Family

A *near-elderly family* is a family in which the head, spouse, cohead, or sole member is a near-elderly person. A family's status as a "near-elderly family" may qualify the family for housing designated for elderly and near-elderly families, as noted in Chapter 4.

3-I.I. PERSONS WITH DISABILITIES & DISABLED FAMILY

[24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, PHA must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the PHA's services.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying admission or taking action under the lease for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter and in Chapter 13.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is defined as a person temporarily visiting or staying in the unit or on the premises with the consent of a tenant or a member of the tenant's household who has express or implied authority to so consent on behalf of the tenant.

The lease provides that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near PHA premises [24 CFR 966.4(f)].

> <u>OHA Policy</u>
>
> A resident family must notify OHA when guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period.
>
> A family may request an exception to these time limits for valid reasons (such as care of a relative recovering from a medical procedure). OHA may require documentation in order to approve the presence of guests beyond the time limits.
>
> Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 51 percent of the time, are not subject to the time limitations of guests as described above.

Guests who remain in the unit beyond the allowable time limits will be considered to be unauthorized occupants, and their presence constitutes violation of the lease. In addition, persons who represent the public housing unit address as their residence address or address of record may be considered to be unauthorized occupants rather than guests.

Regardless of how long a person is in the unit, if they are not on the lease, they are not considered a resident and do not have rights to the unit. Because they have no authorization from management and no lease agreement, they have no tenant protections and are considered unauthorized occupants.

3-I.K. FOSTER CHILDREN & FOSTER ADULTS [24 CFR 5.603]

Foster children or adults are permitted to live in an assisted unit with the PHA's permission. PHA's refusal to allow a family to have a foster child or foster children may constitute a violation of the familial status provisions of the Fair Housing Act.

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgement, decree, or other order of any court of competent jurisdiction

foster child is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g.. public child welfare agency) or by judgement, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or resident family are considered household members but not family members. The income of foster children or foster adults is not counted in family annual income. Foster children and foster adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

OHA Policy

A foster child or foster adult are to be allowed to reside in the unit.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be temporarily or permanently absent from the unit for a variety of reasons including educational activities, placement in foster care, employment, and illness.

Definitions of Temporarily and Permanently Absent

OHA Policy

Generally, an individual who is or is expected to be absent from the public housing unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the public housing unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

OHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member, unless the family declares that the student has established a separate household. OHA may require documentation demonstrating whether or not the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

OHA Policy

If a child has been placed in foster care, OHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. A child who is or is expected to be absent from the public housing unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. A child who is or is expected to be absent from the public housing unit for more than 180 consecutive days is considered permanently absent and no longer a family member.

Absent Head, Spouse, or Cohead

OHA Policy

An head, spouse, or cohead absent from the unit more than 180 consecutive days is considered permanently absent and no longer a family member. A child who is or is expected to be absent from the public housing unit for more than 180 consecutive days is considered permanently absent and no longer a family member.

Individuals Confined for Medical Reasons

OHA Policy

If a family member is confined to a nursing home, hospice, or hospital on a permanent basis, the family may request that the family member be removed from the family.

Return of Permanently Absent Family Members

OHA Policy

The family must request OHA approval for the return of any adult family members determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the person(s), (2) is not obligated for the support of the person(s), and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

A family may request to add a live-in aide to their household in accord with the PHA's procedures for accommodation of disabilities.

A live-in aide is considered a household member but not a family member. The income of the live-in aide is not counted in determining the annual income of the family [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not have lease rights or be considered a remaining member of a tenant family.

OHA Policy

A family's request for a live-in aide may be made either orally or in writing. OHA will verify the need for a live-in aide, if necessary, with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker. For continued approval, the family may be required to submit a new, written request—subject to OHA verification—at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. (3) is not a family member and has no lease rights to remain in the residence. In the event of the resident(s) death and/or absence, live-in aides must vacate the premises.

Live-in aides are subject to OHA screening and criminal background checks. OHA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The person has a history of drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to OHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

In a reasonable amount of time of receiving a request for a live-in aide, including all required documentation related to the request, OHA will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to establish income limits that determine the income eligibility of applicants for HUD's assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of the median incomes for families of different sizes in a particular area or county.

Definitions [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

HUD also publishes over-income limits annually, but these are not used at admission. Over-income limits will be discussed in Chapter 13.

Using Income Limits for Eligibility [24 CFR 960.201and Notice PIH 2023-27]

Income limits are used to determine eligibility at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible , a family must be a *low-income* family. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards.

Using Income Limits for Targeting [24 CFR 960.202(b)]

At least 40 percent of the families admitted from the PHA waiting list to the public housing program during a PHA fiscal year must be *extremely low-income* families. This is called the "basic targeting requirement."

If admissions of extremely low-income families to PHA's housing choice voucher program during a PHA fiscal year exceed the 75 percent minimum targeting requirement for that program, such excess shall be credited against PHA's public housing basic targeting requirement for the same fiscal year.

The fiscal year credit for housing choice voucher program admissions that exceed the minimum voucher program targeting requirement must not exceed the lower of:

- Ten percent of public housing waiting list admissions during the PHA fiscal year
- Ten percent of waiting list admission to PHA's housing choice voucher program during the PHA fiscal year
- The number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

For discussion of how income targeting is used in tenant selection, see Chapter 4.

3-II.B. OCCUPANCY BY OVER-INCOME FAMILIES [24 CFR 960.503]

A PHA that owns or operates fewer than 250 public housing units may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low-income family at the time of initial occupancy), in accordance with its PHA annual plan (or supporting documents), if all the following conditions are satisfied:

- There are no eligible low-income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family;
- The PHA has publicized availability of the unit for rental to eligible low-income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least 30 days before offering the unit to an over-income family;
- The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit;
- The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and
- The PHA gives the over-income family at least 30 days' notice to vacate the unit when the unit is needed for rental to an eligible family.

<u>OHA Policy</u>

The OHA does not admit any non-income-eligible families.

3-II.C. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether they are a citizen, a national, or an eligible noncitizen. Alternately, a person may elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals, and eligible noncitizens, the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

U.S. citizens or U.S. nationals (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In general, citizens and nationals are required to submit only a signed declaration that claims their status. The PHA will not require additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate. HUD strongly encourages the PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25].

> <u>OHA Policy</u>
>
> Family members who declare citizenship or national status will not be required to provide additional documentation unless the OHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

Eligible noncitizens (or the parent/guardian for family members under age 18) must sign a declaration of their status, under penalty of perjury. In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and must cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Persons who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.
When reviewing applicants for assistance, if a PHA formally makes a finding of fact or conclusion of law, supported by a determination from the Department of Homeland Security (DHS) or the Executive Office of Immigration Review (e.g., a Final Order of Deportation), that an individual is not lawfully present in the United States, then the PHA must provide to DHS a report of the person's name, address, and other identifying information that the PHA has. Note that a SAVE response of no service record or verification of an immigration status that makes the individual ineligible for housing assistance is not a finding of fact or conclusion of law that the individual is not lawfully present. At least four times annually, PHAs must provide such information to DHS. If a PHA has knowledge of an individual who is not lawfully present in the United States, they must provide a report to DHS within 45 days after the close of the appropriate calendar year quarter [HUD Secretary Letter 12/16/25].

Mixed Families

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of grievance hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

PHA will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen. If PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, PHA will send the family written notice of the determination.

The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an PHA grievance hearing. The grievance hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the grievance hearing process. Grievance hearing procedures are contained in Chapter 14.

Time Frame for Determination of Citizenship Status [24 CFR 5.508(g)]

PHA will verify the status of applicant family and household members at the time of application or otherwise at the time other eligibility factors are determined. Each family member is required to submit evidence of eligible status only one time, generally at the time of the person's application or admission to the program.

For new occupants joining a resident family, PHA must verify citizenship status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

3-II.D. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN.

If a child under age six is added to a family, and the family must provide documentation of the child's SSN within 90 days. Verification and documentation requirements are provided in Chapter 7.

> ***Note:*** These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. (Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.)

PHA will deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.E. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, the form HUD-52675, Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.

PHA will deny admission to the program if any member of the applicant family fails to sign and submit these required consent forms which authorize PHA to obtain information necessary in administration of the public housing program [24 CFR 960.259(a) and (b) and 24 CFR 5.232(a)].

However, this doesn't not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232c].

OHA Policy

OHA has established a policy that the family's revocation of consent to allow OHA to access records from financial institutions will result in denial of admission.

3-II.F. EIV SYSTEM SEARCHES [EIV FAQs; EIV System Training 9/30/20; and Notice PIH 2023-27]

Existing Tenant Search

Prior to admission to the program, PHA must search for all household members using the EIV Existing Tenant Search module. PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to PHA, and a match is identified at a multifamily property, PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

OHA Policy

OHA will contact the other OHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. OHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to PHAs and Terminations

All adult household members must sign the form HUD-52675, Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program

OHA Policy

OHA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

OHA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, OHA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, the PHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. The PHA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II must be denied admission.

In addition, applicants must satisfy PHA's policies for applicant background checks and screening to determine eligibility for admission, described in this Part III. PHA's authority in this area is limited by the Violence against Women Act (VAWA), which prohibits the denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking [24 CFR 5.2005(b)].

The regulations state that the PHA must prohibit admission for certain types of criminal activity and give the PHA the option to deny for other types of previous criminal history, HUD does not require the adoption of "One Strike" policies. PHAs should safeguard the due process rights of applicants and tenants.

This part covers the following topics:

- Required denial of admission
- The asset limitation in public housing
- Other permitted reasons for denial of admission
- Screening
- Criteria for deciding to deny admission
- Prohibition against denial of admission to victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking
- Notice of eligibility or denial

3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

PHAs are required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the PHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the PHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, the PHA may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last three years for drug-related criminal activity. HUD permits but does not require the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

- The PHA determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.

- Any household member who is under a lifetime sex offender registration requirement through any lifetime sex offender registration program is not eligible for assistance.

  Upon the PHA's HOTMA 102/104 compliance date, the following section on the asset limitation is added. The asset limitation does not apply until the PHA's HOTMA compliance date.

3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24CFR 5.618]

There are two circumstances under which a family is ineligible for the program based on asset ownership.
First, assistance may not be provided to any family if the family's net assets exceed the HUD-published asset limitation amount (adjusted annually by HUD).

- This amount is listed in HUD's current year Inflation-Adjusted Values tables.

Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

  - A present ownership interest in the real property;

- A legal right to reside in the real property; and

- The effective legal authority to sell (based on state of local laws of the jurisdiction where the property is located) the real property.

However, the real property restriction does not apply in the following circumstances:

- Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;

- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property.

- Any family that is offering the property for sale; or

- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.

    - When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered suitable for occupancy unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);

- Is not sufficient for the size of the family;

    OHA Policy

    OHA defines *not sufficient for the size of the family* as being overcrowded based on the PHA's occupancy standards in Chapter 5.

- Is geographically located so as to be a hardship for the family (e.g.; the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA or owner;

    OHA Policy

    In general, the PHA defines *a geographic hardship* to include when a family members' work, school, health care provider, or other necessary service is located an unreasonable distance from the real property or there is a lack of adequate transportation options for the family to access work, school, health care, or other necessary services. The PHA will consider circumstantial details a family faces when determining whether a geographical hardship is present.

- Is not safe to reside in because of the physical condition of the property (e.g.. property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or

- Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

3-III.D. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits the PHA to establish additional policies for denial of admission, discussed in this section.

Criminal Activity [24 CFR 960.203(c)]

The PHA is responsible for screening family behavior and suitability for tenancy. In doing so, the PHA may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety, or welfare of other tenants.

OHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years, the family will be denied admission.

- *Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].
- *Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
- Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].
- Criminal activity that may threaten the health or safety of PHA staff, contractors, subcontractors, or agents.
- Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past three years.

In making its decision to deny assistance, OHA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, OHA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior [960.203(c) and (d) and PH Occ GB, p. 48]

HUD authorizes the PHA to deny admission based on relevant information pertaining to the family's previous behavior and suitability for tenancy. In the event of the receipt of unfavorable information with respect to an applicant, the PHA must consider the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the PHA may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, sexual assault, or stalking.

<u>OHA Policy</u>

OHA will deny admission to an applicant family in the following cases:

- Owes rent or other amounts to this or any other PHA or owner in connection with any assisted housing program, including Section 8, public housing, or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being approved.
  - When denying admission due to family debts as shown in HUD's EIV system, OHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report or other agency records.
  - If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family's claim. OHA will consider the information provided by the family prior to issuing a notice of denial.
- Applicants that include a family member who has been evicted from OHA public housing for criminal activity within the past 3 years.
- Applicants that include a family member who has been evicted from OHA public housing within the past 2 years for nonpayment of rent or other lease violations.
- Applicants that include a family member who is currently banned and barred from OHA property.
- Applicants that engage in fraud or deceitful manipulation of the application process. Any lie or intentional misrepresentation or deceitful manipulation of the application process will result in a denial of admission.
- Applicants that include a family member who has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

- Applicants who have engaged in or threatened violent or abusive behavior on OHA property toward a resident, a member of the public, or OHA staff.

  Abusive or violent behavior towards PHA 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 violent behavior.

  Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny admission, OHA will consider the factors discussed in Sections 3-III.F and 3-III.G. Upon consideration of such factors, OHA may, on a case-by-case basis, decide not to deny admission. OHA will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

3-III.E. SCREENING

Criminal Background Screening for Eligibility

HUD has authorized the PHA to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the PHA in complying with HUD requirements and the PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records, the PHA requires every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

The PHA does not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

<u>OHA Policy</u>

OHA is required to perform criminal background checks necessary to determine whether any household member.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information Center (NCIC).

The PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

<u>OHA Policy</u>
OHA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the PHA may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the PHA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

Drug Abuse Treatment Facility means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use and is either an identified unit within a general care facility or an entity other than a general medical care facility.

Currently engaging in illegal use of a drug means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the PHA has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the PHA for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the PHA chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The PHA must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or cohead regardless of age.

Policy B: The PHA must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a sole basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the PHA chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

> OHA Policy
>
> OHA will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when OHA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

Screening for Suitability as a Tenant [24 CFR 960.203(c)]

The PHA is responsible for the screening and selection of families to occupy public housing units. The PHA may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

> OHA Policy
>
> OHA will consider the family's history with respect to the following factors:
>
> - Payment of rent and utilities
> - Caring for a unit and premises
> - Respecting the rights of other residents to the peaceful enjoyment of their housing
> - Criminal activity that is a threat to the health, safety, or property of others
> - Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C
> - Compliance with any other essential conditions of tenancy

Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]

PHAs have a variety of resources available to them for determination of the suitability of applicants. Generally, PHAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

> OHA Policy

In order to determine the suitability of applicants OHA will examine applicant history for the past three years. Such background checks will include:

Past Performance in Meeting Financial Obligations, Especially Rent

OHA and landlord references for the past three years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether oHA/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. OHAs and landlords will be asked if they would rent to the applicant family again.

Utility company references covering the monthly amount of utilities, late payment, disconnection, return of a utility deposit and whether the applicant can get utilities turned on in their name. (Use of this inquiry will be reserved for applicants applying for units where there are tenant-paid utilities.)

If an applicant has no rental payment history OHA will check court records of eviction actions and other financial judgments, and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident, but a poor credit rating may.

Applicants with no rental payment history will also be asked to provide the PHA with personal references. The references will be requested to complete a verification of the applicant's ability to pay rent if no other documentation of ability to meet financial obligations is available. The applicant will also be required to complete a checklist documenting their ability to meet financial obligations.

If previous landlords or the utility company do not respond to requests from the OHA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development

OHA and landlord references for the past three years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.

Police and court records within the past three years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

A personal reference will be requested to complete a verification of the applicant's ability to care for the unit and avoid disturbing neighbors if no other documentation is available. In these cases, the applicant will also be required to complete a checklist documenting their ability to care for the unit and to avoid disturbing neighbors.

Home visits may be used to determine the applicant's ability to care for the unit.

3-III.F. CRITERIA FOR DECIDING TO DENY ADMISSION

Evidence

OHA Policy

OHA will use the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 960.203(c)(3) and (d)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the PHA receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, the PHA may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

OHA Policy

OHA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that denial of admission may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future
When there is a record of arrest, the PHA may obtain a copy of the police report associated with the arrest and consider the circumstances of the arrest, including:

- Any statements made by witnesses or the applicant not included in the police report
- Whether criminal charges were filed
- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
- Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully.

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member from the Application

Should the PHA's screening process determine that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 960.203(c)(3)(i)].

OHA Policy

OHA will not approve applications that depend upon removal of household members who are the head of household or a spouse or domestic partner of the head of household. For removal of other household members, OHA will require documentation demonstrating to OHA's satisfaction that the household member resides elsewhere and will not be residing in OHA's unit.

Reasonable Accommodation [PH Occ GB, pp. 58-60]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

OHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, OHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. OHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING, OR HUMA TRAFFICKING

The Violence against Women Act (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-VII of this ACOP, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA requires PHA's to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

OHA Policy

OHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the OHA's policies.

While OHA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, stalking, or human trafficking the applicant may inform OHA that their status as a victim is directly related to the grounds for the denial. OHA will request that the applicant provide enough information to OHA to allow OHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

OHA will include in its notice of denial information about the protection against denial provided by VAWA in accordance with section 16-VII.C of this ACOP, a notice of VAWA rights, and a copy of the form HUD-5382. OHA will request in writing that an applicant wishing to claim this protection notify OHA within 14 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

OHA Policy

If an applicant claims the protection against denial of admission that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking, OHA will request in writing that the applicant provide documentation supporting the claim, in accordance with section 16-VII.D.

Perpetrator Documentation

OHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- Documenting authorizing OHA to remove the perpetrator from the family, in accord with OHA policies for family breakup in Section 3-I.C.
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to their belief that the

rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

3-III.H. NOTICE OF ELIGIBILITY OR DENIAL

The PHA will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

If the denial of eligibility is based on a criminal record or sex offender registration, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

OHA Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, OHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact OHA to dispute the information within that 10 day period, OHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, stalking or human trafficking are contained in Section 3-III.F.

EXHIBIT 3-1: HUD PROGRAM DEFINITION OF PERSONS WITH DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions.

Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

> Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months
>
> In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that-

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(ii) is manifested before the individual attains age 22;

(iii) is likely to continue indefinitely;

(iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and

(v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes their ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

  (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation

  (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment

  (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

EXHIBIT 3-2: OHA CRIMINAL BACKGROUND CHECK PROCEDURES

The Omaha Housing Authority (OHA) conducts criminal background checks according to the following procedures in order to ensure that every applicant is treated fairly and equally. OHA will provide a copy of these Criminal Background Check Procedures to every applicant at the time of application.

1. OHA will conduct a criminal background check of every adult in an applicant's household. The criminal background check is used to by OHA to determine if an applicant is eligible to apply to an OHA program and maintain a position on the waiting list.

2. Each adult in an applicant's household is required to complete a background questionnaire and to sign a release form giving OHA the authority to review information concerning the individual's criminal background with local, state, and federal law enforcement agencies, including sex offender data and information from jurisdictions other than Nebraska.

3. An application will be denied if an adult member of the household fails to sign the release form consenting to a criminal background check.

4. OHA may conduct its criminal background checks at any time after an application is submitted. OHA will review criminal records according to their status on the date the criminal background check is conducted by OHA. OHA may conduct additional background checks at any time prior to an applicant's lease-up.

5. If an applicant anticipates that its household may not pass the criminal background check, the applicant may withdraw the application without penalty at any time prior to the date of OHA's written notice of denial.

   Otherwise, applicants denied due to the criminal background check are subject to a waiting period before they may submit a new application.

6. OHA will consider only convictions, and will not consider arrests, acquittals, or charges dismissed - except as described in these procedures, which permit the following exceptions:

   a. Persons found not guilty by reason of insanity (paragraph #7),
   b. Persons currently banned and barred from OHA premises (paragraph #8.c), and
   c. Persons with outstanding warrants for serious criminal offenses (paragraph #14).

7. OHA reserves the right to consider any verdicts where the household member is found not guilty by reason of insanity. OHA has a compelling interest to provide safe housing for its tenants, and it may be necessary for OHA to consider this exception in order to ensure a secure environment.

8. OHA will deny the following applications:

   a. An application in which any adult household member has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally-assisted housing.
   b. An application in which any adult household member is subject to a lifetime registration requirement under a State sex offender registration program.
   c. An application in which any adult member of the household is currently banned and barred from OHA property.

9. OHA will review other criminal convictions that occurred within the past five, three, or two years, depending on the severity of the offense. The evaluation period begins from the date of conviction. The date the offense actually occurred, or the date a person was arrested or charged, may be outside the evaluation period.

10. An application will receive 4 points and be denied if any adult member of the household has been convicted of the following crimes within the past FIVE YEARS:

    a. Homicide
    b. Burglary or robbery
    c. Rape, sexual assault, sexual molestation, debauchery of a minor, or related offenses
    d. Assault with a deadly weapon

11. An application will receive 4 points and be denied if any adult member of the household has been convicted of the following crimes within the past THREE YEARS:

a. Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage
b. Illegal use of a firearm or threat to use an illegal firearm
c. Illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug d. Other Criminal activity that may threaten the health, safety, or welfare of other tenants, OHA staff, contractors, subcontractors, or agents.

12. OHA will consider all other convictions and infractions during the past TWO YEARS. These offenses will be assigned points and scored as follows:

Felony of any degree	3
1st degree misdemeanor: injury to persons or property, threats or weapons- related	3
1st degree misdemeanor: all other offenses	2
2nd degree misdemeanor: injury to persons or property, threats, or weapons-related	2
2nd degree misdemeanor: all other offenses	1
Other misdemeanors: class 3, 4, or non-class	1
Other infractions	1
Minor traffic offenses - except DUI, vehicular homicide, and reckless driving	0

DUI, vehicular homicide, and reckless driving will be scored according to how the offense is categorized.

13. An individual scoring four (4) or more points on a criminal background check will be denied and OHA will withdraw the application.

14. OHA will deny an application if any adult household member has an outstanding warrant for criminal activity listed in paragraphs #8, 10, and 11 above.

    However, OHA will offer the applicant the opportunity to resolve the outstanding warrant. OHA will provide written notice to the applicant of OHA's intent to deny eligibility. This notice will give the family 14 calendar days to provide OHA with documentation demonstrating that the warrant has been satisfied. If OHA has not received satisfactory documentation within the specified timeframe, the applicant will be denied and removed from the waiting list, and the applicant will receive written notice (including opportunity for a grievance hearing) as provided below and in OHA's ACOP and Administrative Plan policies.

    OHA will not consider outstanding warrants for other offenses reviewed per paragraph #12. OHA will consider only outstanding warrants for criminal activity specified in paragraphs #8, 10, and 11.

15. OHA will deny an application if any household member fails the criminal background check.

However, as part of the informal hearing process, the applicant will be given the opportunity to remove the household member whose criminal history failed, and the application will be re-considered for approval. OHA will not approve applications that depend upon removal of household members who are the head of household or a spouse or domestic partner of the head of household. For removal of other household members, OHA will require documentation demonstrating to OHA's satisfaction that the household member resides elsewhere and will not be residing in the OHA-assisted unit.

16. If an applicant or any adult member of the household fails a criminal background check, OHA's hearing officer may consider evidence of rehabilitation. For example, for a drug possession or alcohol-related offense, completion of substance use treatment and rehabilitation may be considered. OHA's hearing officers will not re-examine the prior judgment of a court. Instead, the hearing may offer the applicant an opportunity to demonstrate that a prior conviction does not represent a person's current or future behavior. The hearing officer may deduct any points associated with the relevant charges, at the discretion of the hearing officer and in accord with evidence provided in the hearing.

17. If an application will be denied due to the criminal background of a member of the applicant's household, OHA will provide written notice to the applicant head of household and to the adult household member who is the subject of the criminal record, in accord with OHA's policies. This denial and withdrawal notice will inform the applicants of their rights to appeal OHA's determination.

RESOLUTION NO. 2026 – 68

REVISIONS TO THE ADMISSION AND CONTINUED OCCUPANCY (ACOP) PLAN

WHEREAS, staff of the Housing Authority of the City of Omaha (OHA) seeks to revise specific policies in the Admission and Continued Occupancy Plan (ACOP) for the Public Housing programs;

WHEREAS, OHA staff proposes to revise OHA policies, which will be incorporated into the Admission and Continued Occupancy Plan (ACOP);

WHEREAS, OHA staff recommend that the Board of Commissioners adopt the revised Admission and Continued Occupancy Plan (ACOP), which is attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners hereby adopts the revisions to the Admission and Continued Occupancy Plan, which will be incorporated into OHA's policies in the Admission and Continued Occupancy Plan (ACOP).

____

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held on September 3, 2026.

____

Joanie Balk, Secretary
Housing Authority of the City of Omaha

7.7. Resolution 2026-69 HCV Administrative Plan Changes

Chapter 11

REEXAMINATIONS UNDER HOTMA 102/104

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 11.A. of the model policy.

The Omaha Housing Authority (OHA) will be referred to as the Public Housing Authority (PHA) or simply as the PHA throughout the Administrative Plan.

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

> Part I: Annual Reexaminations . This part discusses the process for conducting annual reexaminations.
>
> Part III: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.
>
> Part III: Non-Interim Reexamination Transaction. This part describes transactions that do not entail changes to the family's adjusted income.
>
> Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 960.257]

11-I.A. OVERVIEW

The PHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

Unlike when performing an interim reexamination or at intake, at annual reexamination, the PHA must determine the income of the family for the previous 12-month period, except where the PHA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. PHAs also have the option of using a Safe Harbor income verification from another federal means-tested program to verify gross annual income. Chapter 7 contains the PHA's policies related to streamlined income determinations and the use of Safe Harbor income verifications.

11-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period and may require reexaminations more frequently [HCV GB p. 12-1].

OHA Policy

OHA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, OHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, OHA will perform a new reexamination.

OHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

OHA Policy

Annual reexaminations are completed in the on-line portal Families unable to complete the portal without assistance, will be scheduled for an in-person appointment. Annual reexaminations will be conducted by mail. Notification of the annual reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to OHA, and the deadline for providing it. Documents will be accepted by mail, by email, by fax, or in-person.

OHA will, however, conduct reexaminations in person if the family requests assistance in providing information or documentation requested by OHA or if requested as a reasonable accommodation. Reasonable accommodation requests will be handled in accordance with policies in Chapter 2. An advocate, interpreter, or other assistant may assist the family in the interview process. The family and OHA must execute a certification attesting to the role and the assistance provided by any such third party.

Further, an in-person interview may be scheduled if the required paperwork is not returned timely, or if it is returned timely but is not complete.

If the reexamination notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

<u>OHA Policy</u>

Families will be asked to bring all required information (as described in the reexamination notice) to-the reexamination appointment. The required information will include a reexamination form, as well as supporting documentation related to the family's income, expenses, and family composition.

If the family does not provide required within the required time frame (plus any extensions), the family-will be in violation of their lease and may be terminated in accordance with the policies in Chapter 12.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents or is considered a *vulnerable youth* in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

> <u>OHA Policy</u>
>
> During the annual reexamination process, OHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from their parents or is considered a *vulnerable youth* based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.
>
> If the student is no longer income eligible based on their own income or the income of their parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.
>
> If the student continues to be income eligible based on their own income and the income of their parents (if applicable), OHA will process a reexamination in accordance with the policies in this chapter.

11-I.E. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]

The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination as indicated in Chapter 7 of this policy. The PHA may also use Safe Harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at annual reexamination as outlined in Chapter 7 of this policy.

Except when using streamlined or Safe Harbor income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

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

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

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

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

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

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

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

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

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

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
  - Year-end statements
  - Paystub with year-to-date amounts
  - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 11-1 provides detailed examples of how the PHA calculates income from different sources at annual reexamination using the above method.

OHA Policy

When income is calculated using Safe Harbor determination from a means-tested federal public assistance program in accordance with OHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with OHA or other agency's determination of income or OHA has other reason to use third-party verification in these circumstances, then the above will apply.

11-I.F. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

OHA Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If OHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by OHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If OHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by OHA.

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by OHA by the date specified, and this delay prevents OHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516; Notice PIH 2023-27]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations. What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the PHA generally should conduct the interim reexamination not longer than 30 days after the PHA becomes aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Reporting

PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition [24 CFR 960.257(b)(5)].

> <u>OHA Policy</u>
>
> All families must report all changes in family and household composition that occur between annual reexaminations within 10 days of the change.

New Family Members <u>Not</u> Requiring PHA Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(a)(2)].

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

Although the PHA must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that PHAs conduct a reexamination of income whenever a new family member is added. The PHA may state in policy that an income reexamination will be conducted.

If a change in family size causes a violation of space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

OHA Policy

Families must request OHA approval to add a new family member (other than due to birth, adoption, or court-awarded custody), live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

OHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

OHA will not approve the addition of a foster child or foster adult if it would result in overcrowding of the existing unit. If the authorized placement agency (e.g., public child welfare agency) requires that the foster child have a separate bedroom, OHA will provide the subsidy standard for one additional bedroom, in accordance with 5-II.B.

If OHA determines an individual meets OHA's eligibility criteria and documentation requirements, OHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to space standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If OHA determines that an individual does not meet OHA's eligibility criteria or documentation requirements, OHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

OHA will make its determination within a reasonable timeframe of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the PHA if any household member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

> OHA Policy
>
> If a household member ceases to reside in the unit, the family must inform OHA within 10 days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

Changes in Family Unit Size (Voucher Size) [24 CFR 982.505(c)(6)]

may be used to determine the payment standard immediately or at the family's first regular reexamination following the change in family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size. **Changes effective 12/3/24 and later:** Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size may be used to determine the payment standard immediately or at the family's first regular reexamination following the change in family unit size.

> OHA Policy
>
> If the family unit size (voucher size) changes during the term of a HAP contract, the new family unit size will be used to determine the payment standard at the family's first regular reexamination following the change in family unit size.

For reference and audit purposes, for changes effective 12/2/24 and earlier: Irrespective of any increase or decrease in the payment standard, if the family unit size increased or decreased during the HAP contract term, HUD required the new family unit size to be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

11-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Overview

Interim reexaminations for changes in income or expenses may be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Interim Decreases [24 CFR 982.516(c)(2) and Notice PIH 2023-27]

A family may request an interim determination of family income for any change since the last determination. However, the PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income. The PHA may set a lower threshold in PHA policy such as performing an interim for any decreases in adjusted income, although HUD prohibits the PHA from setting a dollar-figure threshold.

However, while the PHA has some discretion, HUD requires that the PHA perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:

- When there is a decrease in family size attributed to the death of a family member; or
- When a family member permanently moves out of the assisted unit during the period since the family's last reexamination.

In the above circumstances, the PHA must perform an interim reexamination for any decrease in adjusted income.

If the net effect of the changes in adjusted income due to a decrease in family size results in no change or an increase in annual adjusted income, then PHA must process the removal of the household member(s) as a non-interim reexamination transaction without making changes to the family's annual adjusted income.

> <u>OHA Policy</u>
>
> OHA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.

Interim Increases [24 CFR 982.516(c)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

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

Increases 10 Percent or Greater

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

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

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

> OHA Policy
>
> When a family reports an increase in their earned income between annual reexaminations, OHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual reexamination.
>
> OHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.
>
> OHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with OHA policies in Chapter 14.

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

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

Cumulative Increases [Notice PIH 2023-27]

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

Family Reporting

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 982.516(d)].

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

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].

OHA Policy

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 days of the date the change takes effect. The family may notify OHA of changes either. In the online portal, orally or in writing, including email. If the family provides oral notice, OHA will also require the family to submit the changes in the portal, in writing, including email.

Within 10 business days of the family reporting the change, OHA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, OHA will note the information in the tenant file but will not conduct an interim reexamination. OHA will send the family written notification (which may be emailed) within 10 days of making this determination informing the family that OHA will not conduct an interim reexamination.

If the change will result in an interim reexamination, OHA will determine the documentation the family will be required to submit based on the type of change reported and OHA policies in Chapter 7. OHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 days of receiving a request from OHA. This time frame may be extended for good cause with OHA approval. OHA will accept required documentation by mail, email, or in person. OHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if OHA determines that an interview is warranted, the family may be required to attend.

11-II.D. EFFECTIVE DATES [24 CFR 982.516(e) and Notice 2023-27]

Changes Reported Timely [Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination.

However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination; or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

<u>OHA Policy</u>

OHA considers timely reporting to be within 10 days of change.

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, OHA will apply the decrease the first of the month following completion of the interim reexamination.

However, OHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to OHA management operations. OHA will decide to apply decreases retroactively on a case-by-case basis.

When OHA applies the results of interim increases retroactively, OHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with OHA policies.

OHA will also clearly communicate the effect of the retroactive adjustment to the owner.

PART III: NON-INTERIM REEXAMINATION TRANSACTIONS [Notice PIH 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report to HUD via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the childcare expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12- month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number;
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s); and
- Rent increases

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

PART V: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11V.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-V.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505 and FR Notice 5/7/24]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard when the PHA changes its payment standard or when there is a change in family composition.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family immediately or at the family's *first annual* reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [HCV GB, p. 18-8].

> <u>OHA Policy</u>
>
> Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-V.C. NOTIFICATION OF NEW FTENANT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner
- The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

  OHA Policy

  The notice to the family will include the family share of the rent and the housing assistance payment.

The family has the right to request an explanation of how the assistance was calculated and if the family disagrees, they have the right to informal hearing. The notice will include the procedures for requesting an informal hearing.

11-V.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 14.

EXHIBIT 11-1: CALCULATING INCOME AT ANNUAL REEXAMINATION

Example 1: Calculating Annual Income at Annual Reexamination Using EIV

Staff are processing the March 1 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA since the last annual reexamination. The SSA published COLA is 7 percent.	
Last reexamination – Annual Reexamination	
Ruby:	Georgia:
Wages: $30,000	SSI: $10,980 ($915 monthly)

The EIV report pulled on 12/15

Ruby:	Georgia:
Wages Total: $33,651	SSI Total: $10,980
Quarter 3 last year: $8,859 (City Public School)	Last year: $915 monthly benefit
Quarter 2 last year: $8,616 (City Public School)	
Quarter 1 last year: $8,823 (City Public School)	
Quarter 4 previous year: $7,353 (City Public School)	

Income Reported on Reexamination Application	
Ruby: Wages at City Public School: $32,000 (switched jobs but no permanent change to amount)	Georgia: SSI benefits: $10,980 (no changes)
Calculating Ruby's wages: Step 1: Determine prior annual income from EIV (i.e., Q4 previous year through Q3 last year: $33,651). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies that the $33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use $33,651 for annual wages for the March 1 annual reexamination given there have been no additional changes to annual income.	Calculating Georgia's SSI benefit: Step 1: Determine the prior annual income from EIV (i.e., $915 x 12 months: $10,980). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination). Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the March 1 annual reexamination: COLA: $64.05 ($915 x 0.07) New gross SSI benefit: $11,748.60 ($979.05 x 12 months)
If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.	
Summary of Annual Income (as reported on the HUD-50058)	
Ruby (Head of Household): Other Wage: $33,651 Myers Family Total Annual Income: $45,399	Georgia (Other Youth Under 18): SSI: $11,748

Example 2: Calculating Annual Income at Annual Reexamination Using EIV: Family Disagrees with EIV

Staff are processing Paul Hewson's May 1 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from $28,000 to $7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective July 1. After the July 1 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
May 1 Annual Reexamination
Wages: $28,000

The EIV report pulled on 1/15

Wages Total: $18,271

Quarter 3 last year: $2,500 (Viking Bakery)

Quarter 3 last year: $796 (Sweet Tooth Candy Bar)

Quarter 2 last year: $1,300 (Sasha's Sweets)

Quarter 2 last year: $584 (Larry's Concessions)

Quarter 2 last year: $2,401 (Viking Bakery)

Quarter 1 last year: $6,500 (Sasha's Sweets)

Quarter 4 previous year: $600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application
Wages: $0 (permanent change; no longer receiving) Social Security: $14,400 ($1,200 monthly) Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of $18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of $1,200 effective March 1.
Calculating Wages and SS Benefit
Step 1: Determine prior annual income taking into consideration the July 1 interim reexamination (i.e., EIV wages reflected Q4 last year through Q3 this year: $18,271) Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a July 1 interim that reduced wages to $7,500. Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all. Process the annual reexamination effective May 1 using annual SS income of $14,400 and $0 wages.
Summary of Annual Income (as reported on the HUD-50058)
Paul (Head of Household): $14,400 (SS) Hewson Family Total Annual Income: $14,400

Example 3: Calculating Annual Income at Annual Reexamination

<table>
<tr><td colspan="2">Staff are processing the November 1 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On February 14 of this year, Samantha reported her monthly child support payment was reduced from $200 to $100 per month. An interim reexamination was not processed because the reduction in child support income for Samantha’s daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA did not establish a lower threshold. Samantha did not report any additional changes to the PHA.</td></tr>
<tr><td colspan="2">Last reexamination – November 1 Annual Reexamination</td></tr>
<tr><td>Samantha:
Business income: $28,000
VA disability pension: $12,000
Child support: $2,400</td><td>Fergus:
Wages: $8,250
Other non-wage income: $3,000 (Go Fund Me online fundraiser)</td></tr>
</table>

The EIV report pulled on 9/16

Samantha:

Wages Total: $0 (no wage data reported since Q1 last year)

Fergus:

Wages Total: $8,600

Quarter 1 this year: $2,100 (Ian’s Fish ‘n’ Chips)

Quarter 1 this year: $500 (Claire’s Healthcare Supplies)

Quarter 4 last year: $1,000 (Claire’s Healthcare Supplies)

Quarter 3 last year: $1,800 (The Onion Garden Shop)

Quarter 2 last year: $3,200 (Ivar’s Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application	
Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA for the November 1 annual reexamination.	
Samantha: Business income: $28,750 (last year); has decreased to $18,000 (permanent change) VA disability benefit: $12,000 (last year); has increased to $12,300 (permanent change) Child support: $2,400 (last year); has decreased to $1,200 (permanent change)	Fergus: Wages: $6,000

Calculating Samantha's Net Business Income
Step 1: Determine prior annual net business income (i.e., $28,000 on last HUD–50058).
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.
Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to $18,000. The PHA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is $18,000. Process the annual reexamination effective November 1 using annual net business income determined in Step 3.
Calculating Samantha's VA Pension Income
Step 1: Determine prior annual VA pension income (i.e., $12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was $1,000).
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.
Step 3: The PHA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of $1,025, or $12,300 annually. Process the annual reexamination effective November 1 using annual VA pension income determined in Step 3 ($12,300 in this example).

Calculating Samantha's Child Support Income Step 1: Determine prior annual child support income (i.e., $2,400 on the last HUD–50058). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from $200 to $100 monthly, but the change was not processed because it did not meet the threshold. Step 3: The family reported changes, so the PHA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular $100 monthly child supports payments beginning March 1 through the current month. Process the annual reexamination effective November 1 using current annual child support income determined in Step 3 ($1,200 in this example).
Calculating Fergus' Wages Step 1: Determine prior annual income from wages in EIV (i.e., Q2 last year through Q1 this year: $8,600). Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. Step 3: There is a discrepancy between what the family reported and EIV, so the PHA must verify and adjust to reflect current annual income from wages. Fergus reported $6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA projected annual income of $7,800 based on the two paystubs for this employer, and EIV shows $8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA must do the following: • Resolve the discrepancy between EIV wages, the $6,000 annual income Fergus reported, and the $7,800 projected based on the paystubs he provided, and • Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies. The PHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of $9,000. The PHA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn $9,360 annually. Process the annual reexamination effective November 1 using income from wages determined in Step 3 ($9,360 in this example).

Calculating Fergus' Other Non-Wage Income
Step 1: Determine prior annual income from other non-wage income (i.e., $3,000 on the last HUD– 50058).
Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.
Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The PHA must verify and adjust to reflect current non-wage income. The PHA must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective November 1 using annual non-wage income of $0 determined in Step 3.

Summary of Annual Income (as reported on the HUD-50058)	
Samantha (Head of Household): Own business: $18,000 Pension: $12,300 Child support: $1,200	Fergus (Co-head): Wages: $9,360
Poole Family Total Annual Income: $40,860	

Chapter 7

VERIFICATION UNDER HOTMA 102/104

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2023-27]

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date.

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost any verification to the family.

The PHA must follow the verification guidance provided by HUD in Notice PIH 2023-27 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 24 CFR 982.551; 24 CFR 5.230; Notice PIH 2023-27; and HOTMAquestions@HUD.gov response 9/15/25]

Consent Forms

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886-A, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.

In addition, if a PHA chooses to distribute EIV reports via mail, email, or other methods, they must ensure compliance with the Federal Privacy Act.

OHA Policy

At admission, OHA will request that all adult family members (other than the head of household) sign consent forms stating that their EIV income information may be shared with the head of household. Adult family members with no such consent form on file will be requested to sign at annual reexamination.

If an adult family member other than the head of household fails to sign a consent form stating that their EIV income information may be shared with the head of household, the PHA will utilize EIV's "Print Household Member Information" feature to generate income reports addressed separately to each adult in the household. For example, if a household has two adults, the PHA will provide one report to the head of household and a separate report to the other adult member.

Refusal by an adult family member to sign a form granting permission to provide EIV information to the head of household is not grounds for denial or termination of assistance of either the individual or the family.

The executed form will remain effective until the family is denied assistance, the individual leaves the program, or the family member provides written notification to OHA to revoke consent.

Form HUD-9886-A, Authorization for Release of Information [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]

All adult family members (and the head and spouse/cohead, regardless of age) are required to sign the Form HUD-9886-A at admission. Prior to January 1, 2024, participants signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement . On or after January 1, 2024, current program participants signed and submitted a Form HUD-9886-A. This form isonly signed once. Another Form HUD-9886-A will not be submitted to the PHA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or the PHA in administrative instructions.

The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

> <u>OHA Policy</u>
>
> Prior to processing the families next recertification, OHA staff will monitor and review family members turning 18 years of age and ensure they sign the required Consent to the Release of Information Form HUD-9886-A The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and OHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). OHA must also develop its own release forms to cover all other information not covered by the form HUD-9886-A.
>
> OHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever OHA determines the record is needed to determine an applicant’s or participant’s eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].
>
> The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to OHA to revoke consent.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA must deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

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

<u>OHA Policy</u>

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

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

Within 10 days of the date the family provides written notice, OHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, OHA will notify their local HUD office.

7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. If the PHA adopts a policy to accept this type of verification, the PHA must include in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.

Means-tested federal public assistance programs include:

- Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
- Medicaid (42 U.S.C. 1396 et seq.);
- Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
- Earned Income Tax Credit (EITC) (26 U.S.C. 32);
- Low-Income Housing Tax Credit (LIHTC) program (26 U.S.C. 42);
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (42 U.S.C. 1786);
- Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
- Other programs administered by the HUD Secretary;
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register*.

If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

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

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

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

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

OHA Policy

OHA will not accept other programs' determinations of income for any new admission or interim reexamination.

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

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

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

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

OHA Policy

OHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

7-I.D. VERIFICATION HIERARCHY [Notice PIH 2023-27]

When the PHA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires the PHA to obtain third-party verification of:

- Reported family annual income;
- The value of net family assets when the net value exceeds the HUD-published threshold, as listed in HUD's Inflation-Adjusted Values;
- Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

HUD developed a hierarchy that described verification documentation from most acceptable to least acceptable. The PHA must demonstrate efforts to obtain third party verification prior to accepting self-certification except instances when self-certification is explicitly allowed.

In order of priority, the hierarchy is:

- Highest: Level 6: Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Highest: Level 5: Up-front Income Verification (UIV) using a non-EIV system
- High: Level 4:
  - Written third-party verification from the source, also known as "family-provided verification"
  - Or EIV plus self-certification
- Medium: Level 3: Written third-party verification form
- Medium: Level 2: Oral third-party verification
- Low: Level 1: Self-certification (not third-party verification)

Each of the verification methods is discussed in subsequent sections below.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

7-I.E. LEVEL 5 AND 6 VERIFICATIONS: UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits for a number of individuals. PHAs may use UIV sources before or during a family reexamination.

UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during annual and streamlined reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.

HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.

The income validation tool (IVT) in EIV provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with other departments.

The following policies apply to the use of HUD's EIV system.

EIV Income Report

PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual reexamination. However, PHAs are not required to use the EIV Income Report:

- At annual reexamination if the PHA used Safe Harbor verification from another means-tested federal assistance program to determine the family's income; or
- During any interim reexaminations.

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

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

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

<u>OHA Policy</u>

OHA will obtain an EIV Income Report for all annual reexaminations for families as part of the regular reexamination process. OHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.

Income reports will be retained in participant files with the applicable annual reexamination documents or interim reexamination documents (if applicable) for the duration of the family's participation.

When OHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

New Hires Report [Notice PIH 2023-27]

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

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

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

<u>OHA Policy</u>

OHA will review the New Hires Report at annual reexamination.

No Income Reported by HHS or SSA Report

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

> OHA Policy
>
> Once available, OHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.
>
> OHA will re-verify the status of participants identified on the report quarterly. Based on the information provided by the family and in EIV, OHA may require that family members provide verifications or sign release forms to allow the OHA to obtain additional verification.
>
> When OHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity

EIV Identity Verification Report

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

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

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

> OHA Policy
>
> OHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.
>
> OHA will attempt to resolve discrepancies by obtaining appropriate documentation from the participant. When OHA determines that discrepancies exist as a result of OHA errors such as spelling errors or incorrect birth dates, it will correct the errors promptly.

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

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

> <u>OHA Policy</u>
>
> OHA will review the Deceased Tenants Report on a monthly basis.

When the Deceased Tenants Report identifies an individual as being deceased, PHAs must immediately send a letter to the head of household or, if the head of household is deceased and there is no other adult household member, to the emergency contact person to confirm the death of the listed household member. The PHA must notify the owner in writing of the deceased head of household.

PHAs may list the End of Participation (EOP) as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

> <u>OHA Policy</u>
>
> OHA will list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.

When the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for any rental assistance or continued occupancy. The PHA may not designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.

Other EIV Reports [Notice PIH 2023-27]

The PHA is required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening, Failed Verification (Failed SSA Identity Test), and the EIV Immigration reports at least monthly.

Upfront Income Verification Using Non-HUD Systems

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

> <u>OHA Policy</u>
>
> OHA will utilize other upfront verification sources as available, at no cost.

7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27]

HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.

EIV + Self-Certification

EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and self-certifies that the amount is accurate and representative of current income. This practice is known as *EIV + self-certification*. When calculating income using this method, the PHA may use its discretion to determine which method of calculation is reasonable: the last four quarters combined or an average of any number of quarters. The family must be provided with the information from EIV.

OHA Policy

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

OHA will follow EIV security requirements as detailed in OHA policy in Section 7-I.A. Family Consent to Release of Information. If an adult family member other than the head of household fails to sign a consent form stating that their EIV income information may be shared with the head of household, OHA will utilize EIV's "Print Household Member Information" feature to generate income reports addressed separately to each adult in the household. For example, if a household has two adults, OHA will provide one report to the head of household and a separate report to the other adult member.

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

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

Written Third-Party Verification from the Source

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

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

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

When the family disputes EIV-reported employment income, the PHA uses written third-party verification.

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

OHA Policy

In general, OHA will use third-party verification from the source in the following circumstances:

At annual reexamination when EIV + self-certification is not used;

For all new admissions; and

For all interim reexaminations.

OHA will not use this method if OHA is able to use an income determination from a means-tested federal assistance program or if the OHA uses EIV + self-certification as outlined above.

In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by OHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

OHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible. If OHA determines that third-party documents provided by the family are not acceptable, OHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.

When verification of assets held by a banking or financial institution is required, OHA will obtain one statement that reflects the current balance of the account.

When pay stubs are used, OHA will require the family to provide the two most current, consecutive pay stubs. At OHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), OHA may request additional paystubs or a payroll record.

7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023 -27]

This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. This is known as "traditional third-party verification." PHAs send a PHA-developed form directly to the third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset).

The PHA may use this method when higher forms are unavailable or are rejected by the PHA or when the family is unable to provide acceptable verification. The PHA may skip this level of verification and may instead substitute oral third-party verification before moving to self-certification.

> OHA Policy
>
> Typically, OHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.
>
> However, on a case-by-case basis, OHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.

7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]

For third-party oral verification, PHAs contact sources identified by UIV techniques or by the family, by telephone or in person.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

The PHA may skip this level of verification if they attempted written third-party verification via a form and the source did not respond and move directly to self-certification.

> OHA Policy
>
> In general, OHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days, OHA will accept self-certification from the family without attempting to obtain oral third-party verification.
>
> However, if OHA chooses to obtain oral third-party verification, OHA will document in the file the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed.

When Third-Party Verification is Not Required [Notice PIH 2023-27]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

> <u>OHA Policy</u>
>
> If the family cannot provide original documents, OHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.
>
> The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

> <u>OHA Policy</u>
>
> OHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION: SELF-CERTIFICATION [Notice PIH 2023-27]

Non-third-party verification consists of a signed statement of reported income and/or expenses. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other required verification techniques.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets are less than or equal to the HUD-published threshold and the PHA has adopted a policy to accept self certification
- The family declares that they do not have any present ownership in any real property
- A family reports zero income;
- A family states that they have non-recurring income that will not be repeated in the coming year; and/or
- The PHA has adopted a policy to implement streamlined verification for fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on self-certification, the family's file must be documented to explain why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

> OHA Policy
>
> When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to OHA.
>
> OHA may require a family to certify that a family member does not receive a particular type of income or benefit.
>
> The self-certification must be made in a format acceptable to OHA and must be signed by the family member whose information or status is being verified.
>
> All self-certifications will include the following language:
>
> "I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)."

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

OHA Policy

The OHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	**Verification of Legal Identity for Children**
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card (including temporary ID) U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture Persons who are homeless can provide verification from a social services or homeless shelter coordinator	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records Hospital records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at OHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to OHA and must be signed by the family member whose information or status is being verified.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where OHA has reason to doubt the identity of a person representing themselves to be a participant.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]

The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available [Notice PIH 2023-27]..

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

> <u>OHA Policy</u>
>
> OHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

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

OHA Policy

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

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. The PHA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

OHA Policy

OHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, OHA will terminate the individual's assistance.

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

OHA Policy

OHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

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

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

OHA Policy

OHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

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

OHA Policy

OHA will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

OHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, OHA may or may not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

OHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, OHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

OHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

OHA Policy

Certification by the head of household is normally sufficient verification. If OHA has reasonable doubts about a marital relationship, OHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

OHA Policy

Certification by the head of household is normally sufficient verification. If OHA has reasonable doubts about a separation or divorce, OHA will require the family to provide documentation of the divorce or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

OHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if OHA so requests.

Foster Children and Foster Adults

OHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

General Requirements

<u>OHA Policy</u>

OHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports childcare expenses to enable a family member to further their education.

The family includes a student enrolled in an *institution of higher education.*

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

<u>OHA Policy</u>

In accordance with the verification hierarchy described in section 7-I.B, OHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in section 3-II.E.

The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If OHA cannot verify at least one of these exemption criteria, OHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, OHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.M) or the student's independence from their parents (see below).

Independent Student

OHA Policy

OHA will verify a student's independence from their parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from their parents for at least one year, or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is $0, except in cases in which the PHA determines that the student is a *vulnerable youth* (see section 3-II.E)

7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at http://www.hhs.gov/ocr/privacy/.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

> OHA Policy
>
> For family members claiming disability who receive disability benefits from the SSA, OHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, the PHA will request a current (dated within the appropriate benefit year) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the PHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the PHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

> OHA Policy
>
> For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation. HUD strongly encourages PHAs to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation [HUD Secretary Letter 12/16/25].

> OHA Policy
>
> Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless OHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp. 5-3 and 5-7; HUD Secretary Letter 12/16/25]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

Family members under the age of 62 who claim to be eligible immigrants must provide supporting documentation of their immigration status and sign a verification consent form. Supporting documentation consists of documentation accepted by the U.S. Citizenship and Immigration Services (USCIS)—for example, a Form I-551 U.S. Permanent Resident Card.

The PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The primary method for verifying eligible immigration status is USCIS's automated system, Systematic Alien Verification for Entitlements (SAVE). The PHA must determine whether the applicant's status makes them eligible for assistance consistent with Section 214. Exhibit 7-2 at the end of this chapter provides information on eligibility for HUD assistance.

Where applicable, the PHA must retain documentation of SAVE verification in tenant files. If SAVE cannot confirm an individual's eligible immigration status, or if the response in SAVE verifies an immigration status that is not eligible for assistance, then the PHA must submit a request for secondary or additional verification to USCIS within 10 days of receiving the initial results. The PHA must scan and upload information to USCIS as needed or required to obtain a verification response.

If the secondary or additional verification fails, the PHA must notify the family and inform them of their right to file an appeal with USCIS. If the family wishes to exercise their right to file an appeal with USCIS, they must submit a written request to USCIS within 30 days of the notification. USCIS will render a decision to the family and forward a copy to the PHA.

Assistance must be denied when primary and secondary verification do not verify eligible immigration status and the family does not pursue a USCIS appeal or informal hearing rights, or decisions are rendered against the family through a USCIS appeal or informal hearing.

The PHA must not delay, deny, reduce, or terminate assistance because of a delay in the process of determining eligible status, unless the family causes the delay. While the PHA may not admit any individual prior to receiving required documentation, the PHA may elect to provide prorated assistance to the family prior to completing the verification process.

Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. The head of household must sign a statement listing all family members who do not claim to be citizens, nationals, or eligible immigrants, or whose status cannot be confirmed [HUD Secretary Letter 12/16/25].

7-II.H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant that determined placement on the waiting list.

> <u>OHA Policy</u>
>
> OHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. OHA will verify this preference using OHA's termination records.
>
> OHA also offers a preference to families that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking who are seeking an emergency transfer under VAWA from OHA's public housing program or other covered housing program operated by OHA (as described in Section 4-III.C. To verify that applicants qualify for the preference, OHA will review internal agency records and follow documentation requirements outlined in Section 16-IX.D.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6 of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

OHA Policy

The PHA does not accept Safe Harbor.

7-III.A. EARNED INCOME

Tips

OHA Policy

Unless tip income is included in a family member's W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year or tips anticipated to be received in the coming year.

Wages

OHA Policy

When OHA requires third-party verification of wages, for wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

The PHA must obtain written, third-party verification when the income type is not available in EIV. This includes income from self-employment.

OHA Policy

Business owners and self-employed persons will be required to provide:

Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.).

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

For self-employed individuals will fill out a self-employment affidavit.

For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), OHA will provide a format for the individual to declare their income and expenses. OHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as the Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.

OHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations, if taxes were not filed within the last three years. At any reexamination OHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits [Notice PIH 2023-27]

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the appropriate benefit year) for each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, the PHA must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

- If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as $450.80 and EIV displays the amount as $450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.
- If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must request a current SSA benefit verification letter (dated within the appropriate benefit year) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.

Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

> <u>OHA Policy</u>
>
> If an EIV income report must be provided to the family, OHA will follow EIV security requirements as detailed in OHA policy in Section 7-I.A. Family Consent to Release of Information.

7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]

Annual income includes “all amounts received,” not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family’s child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

> OHA Policy
>
> Verification will be obtained in the following order of priority:
>
> > Copies of the receipts and/or payment stubs for the 12 months prior to OHA request
> >
> > Third-party verification form from the state or local child support enforcement agency
> >
> > Third-party verification form from the person paying the support
> >
> > Family's self-certification of amount received
>
> ***Note:*** Families are not required to undertake independent enforcement action.

7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

> OHA Policy
>
> OHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, OHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7-III.F. ASSETS AND INCOME FROM ASSETS

Net Family Assets [24 CFR 5.603]

At admission and reexam, for families with net assets less than or equal to the HUD-published threshold listed in HUD's current year Inflation-Adjusted Values tables ($52,787 for 2026), the PHA may, but is not required to, accept the family's self-certification that the family's assets do not exceed the HUD-published threshold without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from assets which must be included in the family's income. This includes declaring income from checking and savings accounts which, although these may be excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed the HUD-published threshold), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets.

For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.

PHAs who choose not to accept self-certifications of assets must verify all families' assets on an annual basis.

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

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

> OHA Policy
>
> OHA will not accept the family's self-certification of the value of family assets and anticipated asset income. The family will be required to provide third-party verification of net family assets every three years.
>
> In determining the value of checking or savings accounts, OHA will use the current balance.
>
> In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, OHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

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

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

> <u>OHA Policy</u>
>
> OHA will accept self-certification from the family stating that the family does not have any present ownership in any real property. The certification must be signed by all family members 18 years of age and older. OHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.
>
> If the family declares they have present ownership in real property, OHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, OHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.G. NET INCOME FROM RENTAL PROPERTY

OHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant.

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income), along with proof of filing.

If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.H. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are less than or equal to the HUD-published threshold listed in HUD's current year Inflation-Adjusted Values tables, even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than the HUD-published threshold.

7-III.I. RETIREMENT ACCOUNTS

OHA Policy

OHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.

7-III.J. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to document why third-party verification is not available, or report the income on the form HUD-50058. *Fully excluded income* is defined as income where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD (for example, food stamps, earned income of a minor, or foster care funds).

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the form HUD-50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student other than the head of household, spouse, or cohead).

> OHA Policy
>
> OHA will accept the family's signed application or reexamination form as self-certification as verification of fully excluded income. OHA may request additional documentation if necessary to document the income source.
>
> OHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.K. ZERO INCOME FAMILIES [Notice PIH 2023-27]

PHAs have discretion to establish reasonable procedures to manage the risk of unreported income, such as asking families to complete a zero-income worksheet at admission or periodically after admission to determine if they have any sources of unreported income or searching any UIV sources for unreported income.

In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR § 5.609(b)(24)(vi)].

PHAs may accept a self-certification of zero income from the family without taking any additional steps to verify zero reported income. HUD does not require such self-certifications be notarized.

PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

> OHA Policy
>
> OHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc., are not being received by families claiming to have zero annual income.
>
> OHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, OHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.
>
> OHA will only conduct interims in accordance with OHA policy in Chapter 11.

7-III.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. Assistance received under section 479-B of the Higher Education Act (HEA) in excluded. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are included [24 CFR 5.609(b)(9)(ii)].

OHA Policy

OHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, OHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution. OHA will not request verification of actual covered costs when the student's only source of assistance falls under Title IV of the HEA.

If OHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

7-III.M. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from their parents or a *vulnerable youth* in accordance with PHA policy [24 CFR 5.612, FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

> <u>OHA Policy</u>
>
> If OHA is required to determine the income eligibility of a student's parents, OHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II.E). OHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to OHA. The required information must be submitted (postmarked) within 10 business days of the date of OHA's request or within any extended timeframe approved by OHA.
>
> OHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full-time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The PHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION

Policies related to medical expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. The PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

OHA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

When income is projected at new admission or interim, OHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. OHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms if the family is unable to provide acceptable documentation.

When income is projected at new admission or interim, if third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Before placing bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, OHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will OHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

In addition, the OHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified health and medical care expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The health and medical care expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the health and medical care expense deduction, the costs must qualify as medical expenses. See Chapter 6 for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the health and medical care expense deduction, the costs must not be reimbursed by another source.

OHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

OHA Policy

At new admission and interim reexam, when anticipated costs are related to on-going payment of medical bills incurred in past years, OHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. The PHA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

Attendant Care

OHA Policy

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

When income is projected at new admission or interim, if third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Before placing bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to disposed of, OHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

OHA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, OHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in Chapter 6.).
- The expense is not reimbursed from another source (as described in Chapter 6.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

> <u>OHA Policy</u>
>
> OHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.
>
> If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

> <u>OHA Policy</u>
>
> The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILDCARE EXPENSES

Policies related to childcare expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of childcare.
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the childcare deduction, the costs must not be reimbursed by another source.

> OHA Policy
>
> The family (and the care provider) will be required to certify that the childcare expenses are not paid or reimbursed to the family from any source.

Pursuing an Eligible Activity

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

OHA Policy

Information to be Gathered

OHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible OHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases OHA will request family-provided verification from the agency of the member's job seeking efforts to date, and require the family to submit to OHA any reports provided to the other agency.

In the event third-party verification is not available, OHA will provide the family with a form on which the family member must record job search efforts. OHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

OHA will request third-party documentation to verify that the person permitted to further their education by the childcare is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

OHA will seek third-party verification of the work schedule of the person who is permitted to work by the childcare. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Childcare

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

OHA Policy

OHA will verify that the type of childcare selected by the family is allowable, as described in Chapter 6.

OHA will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

OHA will verify that the childcare provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted.

OHA Policy

The actual costs the family incurs will be compared with OHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, OHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]

<table>
<tr><td colspan="2">

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all eligible noncitizens must sign a verification consent form.
- Additional documents are required based upon the person's status.

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Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

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- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - "Admitted as a Refugee Pursuant to Section 207"
  - "Section 208" or "Asylum"
  - "Section 243(h)" or "Deportation stayed by Attorney General"
  - "Paroled Pursuant to Section 221 (d)(5) of the USCIS"

</td><td>

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

</td></tr>
<tr><td>

- Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".

</td><td>

Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

</td></tr>
<tr><td colspan="2">

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

</td></tr>
</table>

EXHIBIT 7-2: SAVE System Responses and Section 214 Eligibility for HUD Assistance

[HUD Secretary Letter 12/16/25]

Eligible for Assistance

- United States Citizen;
- Lawful Permanent Resident (LPR) – Employment Authorized;
- Lawful Permanent Resident (LPR) – Employment Authorized Indefinitely;
- Conditional Resident – Employment Authorized;
- Conditional Resident;
- Conditional Entrant – Employment Authorized Indefinitely;
- Parolee;
- Parolee Indefinite – Not Employment Authorized;
- Parolee Indefinite – Temporary Employee Authorized;
- Parolee Expires – Not Employment Authorized;
- Parolee Expires – Temporary Employment Authorized;
- Refugee – Employment Authorized;
- Refugee – Employment Authorized – Indefinite;
- Asylee – Employment Authorized;
- Asylee – Employment Authorized – Indefinite;
- Family Unity -Temporary Employment Authorized;
- Non-Immigrant Employment Authorized – Indefinite;
    - Non-immigrants who are citizens of either the Federated States of Micronesia, the Republic of the Marhsall Islands, or Palau
- Cuban/Haitian Entrant;
- No Status – Granted Withholding of Removal – Employment Authorized Indefinitely;
- Violence Against Women Act (VAWA) – Self-Petitioner – Temporary Employment Authorized;
- VAWA Self-Petitioner; and
- VAWA Self-Petitioner – Not Employment Authorized.

Ineligible for Assistance • Non-Immigrant • Non-Immigrant – Temporary Employment Authorized; Non-Immigrant – Temporary Employment Authorized – Indefinite; • Non-Immigrant – Not Employment Authorized; • Non-Immigrant – Employment Authorized CNMI Only; • Student Status Temporary Authorized; • If Principal – Temporary Employment Authorized; • If Principal or Spouse – Temporary Employment Authorized; • Temporary Resident – Temporary Employment Authorized; • Deferred Action for Childhood Arrivals (DACA) – Employment Authorized; • Temporary Protected Status (TPS) – Employment Authorized; • Application Pending (Form I-589 Asylum); • Application Pending (Form I-485 Adjustment of Status) – Temporary Employment Authorized; • Application Pending; • Application Pending – Temporary Employment Authorization; • Application Pending – Not Temporary Employment Authorization; • Deferred Action Status (DAS); • Deferred Action Status (DAS) – Not Employment Authorized; • Deferred Enforced Departure (DED); and • No Status; • No Status – Released on an Order of Supervision – Temporary Employment Authorized; • No Status – Employment Authorized Indefinitely; and No Status Temporary Employment Authorized.
If more information is required to classify the individual's immigration status, following up with DHS and/or the individual may be necessary. • Immigration Enumerator Required – Resubmit with Additional Information; • Institute Additional Verification; • Institute Third Level Verification; • No Record Found with SSA – Resubmit with Additional Information; • Temporary Employment Authorized; • Resubmit Doc; • Verification in Process; • Continue to Process; • Unable to Process; • Null; • Expired Document; • Document Appears to be Altered; and • Document Appears to be Counterfeit

Chapter 6.B.

INCOME AND SUBSIDY DETERMINATIONS UNDER HOTMA 102/104

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

This chapter is applicable upon the PHA's HOTMA 102/104 compliance date. Prior to this date, the PHA will follow policies as outlined in Chapter 6.A. of the model policy.

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income which are excluded from the family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.

Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and PHA policies for calculating income from assets are found in Part II.

Part III: Adjusted Income. Once annual income has been established, HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to adopt additional permissive deductions. These requirements and PHA policies for calculating adjusted income are found in Part III.

Part IV: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW [24 CFR 5.609]

Annual income includes:

- All amounts, not specifically excluded in 24 CFR 5.609(b);
- All amounts received from all sources (other than those specifically excluded in 24 CFR 5.609(b)) by each member of the family who is 18 years of age or older or is the head of household or spouse;
- Unearned income (other than those sources specifically excluded in 24 CFR 5.609(b)) by or on behalf of each dependent who is under 18 years of age; and
- Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds the HUD-published threshold amount (adjusted annually and published in HUD's Inflation-Adjusted Values tables) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but did not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. However, when a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the PHA must use the gross amount of the income, prior to the reduction, to determine a family's annual income [Notice PIH 2023-27].

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27]. 24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Full Definition (Exhibit 6-1)
- Treatment of Family Assets (Exhibit 6-2)
- The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Overview

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition in accordance with HUD regulations and PHA policies in Chapter 11. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Minors	Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All sources of unearned income, except those specifically excluded by the regulations, are included [24 CFR 5.609(a)].
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent deduction is excluded [24 CFR 5.609(b)(14)]. All sources of unearned income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define "temporarily" or "permanently" absent or specify a timeframe associated with a temporary versus a permanent absence.

OHA Policy

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

OHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to OHA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

OHA Policy

If a child has been placed in foster care, OHA will verify at annual recertification with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the reunification efforts have ended, the child will continue to be counted as a family member.

Absent Head, Spouse, or Cohead

OHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis PHAs may determine that person is no longer considered a family member and the income of that person is not counted [New PH OCC GB, *Income Determinations,* p. 12].

> <u>OHA Policy</u>
>
> OHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.
>
> When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

> <u>OHA Policy</u>
>
> Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time.
>
> When more than one applicant or participant family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, OHA will make the determination based on available documents such as court orders, school records, or an IRS income return showing which family has claimed the child for income tax purposes, or other credible documentation.

Caretakers for a Child

OHA Policy

The approval of a caretaker is at the owner and OHA's discretion and subject to the owner and OHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, OHA will take the following actions.

(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases OHA will extend the caretaker's status as an eligible visitor.

(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. CALCULATING ANNUAL INCOME

The methodology used for calculating income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or at annual reexamination. However, income from assets is always anticipated regardless of certification type.

Anticipating Annual Income [24 CFR 5.609(c)(1)]

At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.

<u>OHA Policy</u>

When OHA cannot readily anticipate income based upon current circumstances (e.g., in the case of temporary, sporadic, or variable employment, seasonal employment, unstable working hours, or suspected fraud), OHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to OHA to show why the historic pattern does not represent the family's anticipated income.

In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how OHA annualized projected income.

Known Changes in Income

If OHA verifies an upcoming increase or decrease in income at admission or interim reexamination, annual income will be projected by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the new admission or interim reexamination. In such a case the PHA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases OHA will calculate annual income using current circumstances and then, should the change in income require OHA to conduct an interim reexamination, conduct an interim reexamination in accordance with OHA policy in Chapter 11.

Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2); Notice PIH 2023-27]

At annual reexamination, except where the PHA uses a streamlined income determination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 11 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rental assistance. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are located in Chapter 11.

6-I.D. EARNED INCOME

Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

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

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

> <u>OHA Policy</u>
>
> OHA will include in annual income the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation.
>
> For persons who regularly receive bonuses or commissions, OHA will verify and then average amounts received for the two years preceding admission or interim reexamination. If only a one-year history is available, OHA will use the prior year amounts. In either case the family may provide, and OHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, OHA will count only the amount estimated by the employer. The file will be documented appropriately.

Military Pay

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

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

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

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

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

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, *Lease Requirements,* p. 5].

6. I. E. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28); Notice PIH 2023-27]

Annual income includes "net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family."

> <u>OHA Policy</u>
>
> To determine business expenses that may be deducted from gross income, OHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)]. This may include individuals such as third-party delivery and transportation service providers and "gig workers" like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractor is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

> <u>OHA Policy</u>
>
> *Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

OHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

OHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, OHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

OHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.F. STUDENT FINANCIAL ASSISTANCE [FR Notice 2/14/23 and Notice PIH 2023-27]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1965 (Title IV of the HEA) which must be fully excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

Examples of assistance under title IV of the HEA include:

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or
- Bureau of Indian Affairs/Education student assistance programs
    - The Higher Education Tribal Grant
    - The Tribally Controlled Colleges or Universities Grant Program

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

Actual covered costs are defined as the actual costs of:

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

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

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

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

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

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

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

Student financial assistance, does not include:

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

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

If the only financial assistance is received under 479B of the HEA, it is fully excluded. The actual covered costs do not need to be captured or verified. If the financial assistance include both 479B of the HEA and non-HEA dollars, the formula for calculating student financial assistance always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

OHA Policy

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

Example 1

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

When a student receives assistance from both Title IV of the HEA and from other sources, the OHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

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

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

Example 3

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

Example 4

- Actual covered costs: $18,000
- Title IV HEA Assistance: $15,000
- The remaining amount not covered by Title IV HEA assistance is $3,000 ($18,000 in actual covered costs - $15,000 in Title IV HEA Assistance)
- Other student Financial Assistance: $5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by $2,000 ($3,000 in actual covered costs - $5,000 in other financial assistance).
- Included income: $2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

6-I.G. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis.

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. Income that has a discrete end date and will not be repeated beyond the coming year is excluded from a family's annual income because it is nonrecurring income. For example, a family receives income from a guaranteed income program in their city that has a discrete beginning and end date. While the guaranteed income will be repeated in the coming year, it will end before the family's next annual reexamination. This income is fully excluded from annual income.

However, this does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly). Unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b), and thus they are included in annual income.

Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers' compensation, are excluded from annual income. Any workers' compensation is always excluded from annual income, regardless of the frequency or length of the payments.

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

> <u>OHA Policy</u>
>
> OHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.
>
> When a delayed-start payment is received that is to be included and the family reports this during the period in which OHA is processing an annual reexamination, OHA will adjust the family's rent retroactively for the period the payment was intended to cover.
>
> If the delayed-start payment is received outside of the time OHA is processing an annual reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, OHA will conduct an interim in accordance with PHA policies in Chapter 11. If not, OHA will consider the amount when processing the family's next annual recertification.

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

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

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

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

Social Security Benefits [Notice PIH 2023-27]

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

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

> <u>OHA Policy</u>
>
> Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, OHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Alimony and Child Support

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child-support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].

<u>OHA Policy</u>

OHA will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement unless the family certifies and OHA verifies that the payments are not being made.

Family Claims No Payments Being Received: In order to verify that payments are not being made, OHA will review child support payments over the last three months. If no payments have been made in the past three months and there are no lump sums, OHA will not include alimony or child support in annual income.

Payments Being Received: If payments are being made regularly, OHA will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, OHA will average all payments that have been made.

Lump Sum Payments: At new admission or interim recertification, if any lump sum payments were made in the past 12 months, OHA will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.

If OHA determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.

If OHA determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.

6-I.H. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly).

Income amounts excluded under this category may include, but are not limited to:

- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;
- Payments for eviction prevention;
- Security deposits to secure housing;
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)].
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to such non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income. However, the value of regular in-kind donations (such as the value of groceries) received by friends and family are included.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.I. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.J. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.K. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed the HUD-published threshold amount ($52,787 for 2026), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA or owner chooses not to conduct the examination.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b); FR Notice 1/31/2024]

Other exclusions contained in 24 CFR 5.609(b) and FR Notice 1/31/24 that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].

- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first $2,000 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income.

- Replacement housing "gap" payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments [24 CFR 5.609(b)(23)].

- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27)].

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(i)(12)(ii)].

- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(b)(12)(i)].

- Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.609 I(12)(ii)].

Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

OHA Policy

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

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

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

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

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

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

(a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets.

(b) Benefits under Section 1780 of the Richard B. Russell School Lunch Act and Child Nutrition Act of 1966, including WIC and reduced-price lunches.

(c) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058). The exclusion also applies to assets.

- Except, the exclusion does not apply when the Chief Executive Officer of the Corporation for National and Community Service determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)).

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

(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506).

(f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1)).

(g) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 which was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2)).

(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.

(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Section 6).

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

(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010.

(l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407–1408).

(m) Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

(n) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets.

(o) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean and Thailand service veterans born with spinal bifida (42 U.S.C. 12637(d)).

(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets.

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

(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets.

(s) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433) This exclusion also applies to assets.

(t) Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327 (as amended)).

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

(v) Any amount of crime victim compensation that provides medical or other assistance (or payment or reimbursement of the cost of such assistance) under the Victims of Crime Act of 1984 received through a crime victim assistance program, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime (34 U.S.C. 20102(c)).

(w) Any amounts in an "individual development account" are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4)).

(x) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. This exclusion also applies to assets.

(y) Distributions from an ABLE account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09 or subsequent or superseding notice is excluded from income and assets.

(z) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409).

(aa) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021.

(ab) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first $2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe's private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407).

(ac) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. Chapter 11 or dependency and indemnity compensation under 38 U.S.C. Chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.).

PART II: ASSETS

6-II.A. OVERVIEW

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapters 3 and 12.

Income from assets is always anticipated, irrespective of the income examination type.

> <u>OHA Policy</u>
>
> OHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. OHA will use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected, (2) it is not feasible to anticipate a level of income over 12 months, or (3) OHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income, but the property is currently vacant, OHA can take into consideration past rental income along with the prospects of obtaining a new tenant.
>
> Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to OHA to show why the asset income determination does not represent the family's anticipated asset income.

6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]

PHAs must include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value [Notice PIH 2023-27].

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years.

Minimum Threshold

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a policy to ignore small amounts such as charitable contributions [New PH OCC GB, *Income Determinations,* p. 24].

> <u>OHA Policy</u>
>
> OHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

> <u>OHA Policy</u>
>
> All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Family Declaration

> <u>OHA Policy</u>
>
> Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. OHA may verify the value of the assets disposed of if other information available to OHA does not appear to agree with the information reported by the family.

6-II.C. ASSET INCLUSIONS AND EXCLUSIONS

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of necessary items of personal property is excluded from the calculation of net family assets. Necessary items of personal property include a car used for commuting or medical devices.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds the HUD-published threshold amount (adjusted annually and published in HUD's current year Inflation-Adjusted Values tables). When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets.

- The threshold amount is $52,787 for 2026.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items (e.g., toys, books) Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies Religious and cultural items Medical equipment and supplies Health care–related supplies Musical instruments used by the family Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business Items such as gems/precious metals, antique cars, artwork, etc.

<u>OHA Policy</u>

In determining the value of non-necessary, non-financial personal property, OHA will use the family's estimate of the value. OHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Checking and Savings Accounts [Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than the HUD-published threshold amount, which is adjusted annually and listed in HUD's current year Inflation Adjusted Values tables ($52,787 for 2026), checking and/or savings accounts would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ($52,787 for 2026), financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's financial investments such as stocks and bonds would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed the HUD-published threshold amount, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is $0.

<u>OHA Policy</u>

OHA will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.

The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, OHA will use the value of the account on the most recent investment report.

Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 11. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

> OHA Policy
>
> Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $10,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets [Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

- The asset is otherwise excluded;
- The family can demonstrate that the asset is inaccessible to them; or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly owned asset must be included in annual income, unless:

- The income is specifically excluded;
- The family demonstrates that they do not have access to the income from that asset; or
- The family only has access to a portion of the income from that asset.

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

Trusts [24 CFR 5.609(b)(2) and 5.603(b)(4)]

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Further, where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. The PHA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables ($52,787 for 2026), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of net family assets. When the subtraction results in a negative number, then net family assets are considered $0.

Asset Exclusions [24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)].
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)].
  - *Real property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].
  - Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)];
- The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)];
- The value of any “baby bond” account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)];
- Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)];
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)];
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)];
- Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)];
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)].
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27]; and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household [Notice PIH 2023-27].

6-II.D. DETERMINING INCOME FROM ASSETS

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

> OHA Policy
>
> Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, *Income Determinations,* p. 24].

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

The cash value of real property or other assets with negative equity would be considered $0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The PHA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

- The threshold amount is $~~52~~,787 for 2026.

The PHA may not calculate or include any imputed income from assets when net family assets are less than or equal to the HUD-published threshold amount [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables, the PHA may not rely on self-certification. If actual returns can be calculated, the PHA must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, the PHA must calculate imputed returns using the HUD-determined passbook rate (for example, real property or a non-necessary item of personal property such as a recreational boat). Imputed income is calculated by multiplying the net cash value of the asset (found by deducting reasonable costs that would be incurred in disposing of the asset from the market value) by the HUD-published passbook rate. If the PHA can compute actual income from some but not all assets, the PHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

PART III: ADJUSTED INCOME

6-III.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

> 5.611 *Adjusted income* means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:
>
> (a) *Mandatory deductions*
>
> (1) $500 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of $25);
>
> (2) $550 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of $25);
>
> (3) The sum of the following, to the extent the sum exceeds ten percent of annual income:
>
> (i) Unreimbursed health and medical care expenses of any elderly family or disabled family;
>
> (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and
>
> (4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

<u>OHA Policy</u>

Generally, OHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., childcare during school and non-school periods and cyclical medical expenses), OHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, OHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. OHA may require the family to provide documentation of payments made in the preceding year.

When calculating health and medical care expenses, OHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the annual reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations,* p. 30].

6-III.B. DEPENDENT DEDUCTION

An allowance of $500 is deducted from annual income for each dependent (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $550 is taken for any elderly or disabled family (which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of $25) [24 CFR 5.611(a)(2)].

An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i) and 5.603(b)]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ten percent of annual income.

This deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the unreimbursed health and medical care expenses of all family members are included. The PHA calculates health and medical care expenses based on the family's past expenses, but accounting for any anticipated changes in expenses during the certification period.

Definition of *Medical Expenses*

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) to mean "any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed."

Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies to IRS Publication 502. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition.

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

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896), when requesting documentation to determine unreimbursed health and medical care expenses, the PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.

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

Summary of Typical Allowable Health and Medical Care Expenses	
Services of medical professionals Surgery and medical procedures that are necessary, legal, and non-cosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails) Medical insurance premiums or the cost of a health maintenance organization (HMO) Medicare Part B and Part D premiums	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses. The PHA will use the most current medical mileage rate listed in IRS Publication 502. The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.
Note: This chart provides a summary of eligible health and medical care expenses only. In all cases, the PHA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.	

Before placing health, medical, or disability expense bills and documentation in the tenant file, OHA will redact all personally identifiable information.

If the OHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, OHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, OHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will OHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

OHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either a health and medical care or disability assistance expenses, OHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Unreimbursed reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with disabilities may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any income exclusions are applied.

> <u>OHA Policy</u>
>
> The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, OHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.
>
> When OHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing [Notice PIH 2023-27].

> <u>OHA Policy</u>
>
> Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care [Notice PIH 2023-27]

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

<u>OHA Policy</u>

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

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

Payments to Family Members

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

Necessary and Reasonable Expenses

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

<u>OHA Policy</u>

OHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, OHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and OHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Health and Medical and Disability Assistance Expenses

<u>OHA Policy</u>

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either health and medical care or disability assistance expenses, OHA will consider them health and medical care expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-III.F. CHILDCARE EXPENSE DEDUCTION

HUD defines *childcare expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age (age 12 and younger) (including foster children) during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of *Child* for This Deduction

Childcare expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, childcare expenses for foster children that are living in the assisted family's household are included when determining the family's childcare expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

OHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a childcare deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, OHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

OHA Policy

If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by OHA.

Furthering Education

OHA Policy

If the childcare expense being claimed is to enable a family member to further their education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the childcare claimed.

Being Gainfully Employed

OHA Policy

If the childcare expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Childcare Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for childcare – although the care must still be necessary and reasonable. However, when childcare enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any income exclusions are applied.

The PHA must not limit the deduction to the least expensive type of childcare. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

OHA Policy

When the childcare expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, OHA generally will limit allowable childcare expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Childcare Expenses

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare [VG, p. 26].

Allowable Childcare Activities

> <u>OHA Policy</u>
>
> For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.
>
> The costs of general housekeeping and personal services are not eligible. Likewise, childcare expenses paid to a family member who lives in the family's unit are not eligible; however, payments for childcare to relatives who do not live in the unit are eligible.
>
> If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, OHA will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Childcare expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further their education, and (2) the family certifies, and the childcare provider verifies, that the expenses are not paid or reimbursed by any other source.

> <u>OHA Policy</u>
>
> Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For childcare that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.
>
> To establish the reasonableness of childcare costs, OHA will use the schedule of childcare costs from a qualified local entity that either subsidizes childcare costs or licenses childcare providers. Families may present, and OHA will consider, justification for costs that exceed typical costs in the area.

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]

Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

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

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

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.

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

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

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

<u>OHA Policy</u>

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

General Relief

The second category is for families that can demonstrate:

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

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

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

OHA Policy

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

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

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

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

Other circumstances as determined by the PHA.

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

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

OHA Policy

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

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

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

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

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

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

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

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

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

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

OHA Policy

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

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

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

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

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

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

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

OHA Policy

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

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

If the family qualifies for an exemption, OHA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.

PHAs must notify the family if the hardship exemption is no longer necessary and the hardship exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

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

6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(ii)]

The PHA may adopt additional permissive deductions from annual income if they establish a policy in the administrative plan. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility.

A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A PHA will not be eligible for an increase in HCV renewal funding for subsidy costs resulting from such deductions.

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than $90,000 per year.

OHA Policy

OHA has opted not to use permissive deductions.

PART IV: CALCULATING FAMILY SHARE AND PHA SUBSIDY

6-IV.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the PHA.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-IV.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

<u>OHA Policy</u>

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

<u>OHA Policy</u>

The minimum rent for this locality is $50.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the PHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The PHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

OHA Policy

OHA chooses not to adopt optional changes to income-based rents.

Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

OHA Policy

OHA chooses not to use ceiling rents.

Utility Reimbursement [24 CFR 982.514(b); 982.514]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

OHA Policy

OHA will make utility reimbursements to the family.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is $15.00 or less. Reimbursements must be made once per calendar-year quarter, either prospectively or retroactively, and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship. The PHA must issue reimbursements that exceed $15.00 per month on a monthly basis.

OHA Policy

OHA will issue all utility reimbursements monthly.

6-IV.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

OHA Policy

The financial hardship rules described below do not apply in this jurisdiction because the PHA has established a minimum rent of $50.

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

OHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

OHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

OHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

OHA Policy

OHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

OHA Policy

OHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption Assume the PHA has established a minimum rent of $50.			
Family Share – No Hardship		**Family Share – With Hardship**	
$0	30% of monthly adjusted income	$0	30% of monthly adjusted income
$15	10% of monthly gross income	$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
$50	Minimum rent	~~$50~~	~~Minimum rent~~
Minimum rent applies. TTP = $50		Hardship exemption granted. TTP = $15	

OHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

OHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

> OHA Policy
>
> OHA will require the family to repay the suspended amount within 30 calendar days of the OHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

> OHA Policy
>
> OHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

> OHA Policy
>
> The hardship period ends when any of the following circumstances apply:
>
> (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
>
> (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.
>
> (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-IV.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the PHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation and Individual Relief

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [24 CFR 8 and 100, PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Further, the PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with an explanation about the additional allowance required.

> PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company [Utility Allowance GB, p. 19; 24 CFR 965.508].PHA Policy
>
> The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.
>
> The PHA will consider the following criteria as valid reasons for granting individual relief:
>
> > The family's consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.
> >
> > The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.
> >
> > The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost.

Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all families at admission as part of the information on payment standards and utility allowances in the briefing packet. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.

At its discretion, the PHA may reevaluate the need for the increased utility allowance at any regular reexamination.

If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

Utility Allowance Revisions

The PHA must review at least annually the basis on which utility allowances have been established and, if reasonably required in order to continue adherence to standards described in 24 CFR 965.505, must establish revised allowances.

The PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rates on which such allowances were based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective. Such rate changes are not subject to the 60-day notice [24 CFR 965.507(b)].

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)].

<u>OHA Policy</u>

Between annual reviews of utility allowances, OHA will only revise its utility allowances due to a rate change, when required to by the regulation.

6-IV.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. Except for non-public housing over income families, the PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

(1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.

(2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).

(3) Multiply the member maximum subsidy by the number of eligible family members.

(4) Subtract the subsidy calculated in the last step from the flat rent. This is the prorated TTP.

(5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

PHA Policy

Revised public housing flat rents will be applied to a mixed family's rent calculation at the first annual reexamination after the revision is adopted.

(6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

EXHIBIT 6-1: ANNUAL INCOME FULL DEFINITION

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b)Annual income does not include the following:

(1) Any imputed return on an asset when net family assets are less than or equal to the HUD-published threshold amount (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; 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.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from— (

1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)€ of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) 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 Internal Revenue Service regulations; and

(ii) 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.

EXHIBIT 6-2: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must 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 in 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 therefor. 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 consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all nonnecessary items of personal property if the combined total value does not exceed the HUD-published threshold amount (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

EXHIBIT 6-3: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

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

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

RESOLUTION NO. 2026 – 69

REVISIONS TO THE HOUSING CHOICE VOUCHER (HCV) ADMINISTRATIVE PLAN

WHEREAS, staff of the Housing Authority of the City of Omaha (OHA) seeks to revise specific policies in the HCV Administrative Plan for the Housing Choice Voucher programs;

WHEREAS, OHA staff proposes to revise OHA policies, which will be incorporated into the Housing Choice Voucher (HCV) Administrative Plan;

WHEREAS, OHA staff recommends that the Board of Commissioners adopt the revised Administrative Plan, which is attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners hereby adopts the revisions to the HCV Administrative Plan, which will be incorporated into OHA's policies in the Administrative Plan for the Housing Choice Voucher Program.

____

David Levy, Chairman
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Assistant Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the regular meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held on September 3, 2026.

____

Joanie Balk, Secretary
Housing Authority of the City of Omaha

Memorandum

TO: OHA Board of Commissioners

FROM: Philisa Smith, Director of Housing Choice Voucher Program

DATE: September 3, 2026

SUBJECT: **Recommendation to approve revisions to the (HCV)Administrative Plan**

RECOMMENDED ACTIONS:

The Housing Authority of the City of Omaha (hereinafter "OHA") staff recommends that the OHA Board of Commissioners approve revisions of OHA's Administrative Plan as applicable to the Housing Choice Voucher programs.

PREVIOUS ACTIONS:

OHA's Board last approved the administrative plan revision effective March 1, 2026

EXPLANATION:

OHA uses an Administrative Plan policy template purchased from Nan McKay & Associates, which is considered an industry standard and reflects best practices. For 2026, the Administrative Plan has been updated with recent HUD HOTMA requirements and guidance. It also includes major revisions for HOTMA-related chapters and policy updates as noted below:

Chapter 6
Chapter 6.A. has been removed.
Chapter 6.B. becomes Chapter 6 and includes the following changes:
Income chapter has been completely revised to include all related HOTMA requirements and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/2027**.**

Chapter 7
Chapter 7.A. has been removed.
Chapter 7.B. becomes Chapter 7 and includes the following changes:
The verification chapter has been completely revised to include all related HOTMA requirements and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/2027.

Chapter 11
Chapter 11.A. has been removed.
Chapter 11.B. becomes Chapter 11 and includes the following changes:
The reexamination chapter has been completely revised to include all related HOTMA requirements and related regulatory updates. OHA policies were updated in this chapter for compliance effective 1/1/27.

Recommended by: Philisa Smith, Housing Choice Voucher Director

7.8. Resolution 2026-70 Move December 3, 2026 meeting to December 17, 2026, Cancel January 7, 2027 meeting, Move February 4, 2027 meeting to January 28, 2027 & Move March 4, 2027 meeting to February 25, 2027

RESOLUTION NO. 2026 – 70
BOARD MEETING DATES FOR DECEMBER 2026, JANUARY, FEBRUARY, & MARCH 2027

WHEREAS, the OHA Bylaws require that the Board of Commissioners meet for a regular monthly meeting on the first Thursday of the month, unless a majority of the Commissioners determine that the meeting be moved to a different date and/or time.

WHEREAS, the regular December meeting is scheduled for December 3, 2026, and it has been determined that such meeting shall be held on December 17, 2026;

WHEREAS, the regular January meeting is scheduled for January 7, 2027, and it has been determined that such meeting shall be canceled;

WHEREAS, the regular February meeting is scheduled for February 4, 2027, and it has been determined that such meeting shall be held on January 28, 2027;

WHEREAS, the regular March meeting is scheduled for March 4, 2027, and it has been determined that such meeting shall be held on February 25, 2027;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Omaha, by vote of the majority of the Commissioners, hereby determines that the December 2026 meeting of the Board of Commissioners shall be held on December 17, 2026, at 8:30 a.m.; the January 7, 2027, meeting of the Board of Commissioners shall be canceled; the February 2027 meeting of the Board of Commissioners shall be held on January 28, 2027, at 8:30 a.m.; and the March 2027 meeting of the Board of Commissioners shall be held on February 25, 2027 at 8:30 a.m.

____
David Levy, Chairperson
OHA Board of Commissioners

ATTEST

I, Joanie Balk, Secretary of the Housing Authority of the City of Omaha, do hereby certify that this resolution was properly adopted at the meeting of the Board of Commissioners of the Housing Authority of the City of Omaha held September 3, 2026.

____
Joanie Balk, Secretary
Housing Authority of the City of Omaha

8. DEPARTMENT REPORTS AND DISCUSSION ITEMS

8.1. Housing Choice Voucher Program

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

PERIOD ENDING July 31, 2026

VOUCHER UTILIZATION SUMMARY

All Vouchers

Utilization 2026	Allocation	May	Jun	Jul	Current Mo % Leased
All Other Vouchers	5532	3541	3516	3509	63%
Emergency Vouchers	142	84	82	80	56%
HA Owned Vouchers	125	122	120	118	94%
Home Ownership Vouchers	69	68	69	69	100%
Mainstream Vouchers	115	80	82	82	71%
Portable Vouchers (Billed)	11	11	11	11	100%
Portable Vouchers	94	98	87	87	93%
Project Based Vouchers	528	510	516	528	100%
Project Based Vouchers (RAD)	13	11	11	11	85%
Tenant Protection Vouchers	389	370	389	535	100%
VASH Vouchers /VASH (PBV)	157	129	128	128	82%
Total Vouchers	7114	5024	4200	5158	73%

Other Housing

Utilization 2026	Allocation	Issued	May	Jun	Jul	Current Mo % Leased
HOME TBRA	30	0	24	26	28	93%
Mod Rehab	10	0	10	10	10	100%

HUD Delinquency Rate			SEMAP	May	Jun	Jul
			95%	96.67%	97.37%	96.65%

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

PERIOD ENDING July 31, 2026

HQS/NSPIRE INSPECTION SUMMARY

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Section 8 Pass	222	210	257	289	260	224	239					
Section 8 Fail	178	118	119	135	146	154	151					
Section 8 Follow ups	220	180	134	151	147	212	149					
Quality Control Pass	8	8	8	7	0	14	7					
Quality Control Fail	0	0	0	1	0	2	1					
Special, Complaint, Inconclusive	8	9	8	6	9	7	10					
Monthly Total S8 Inspections Conducted	**636**	**525**	**526**	**589**	**562**	**613**	**557**	**0**	**0**	**0**	**0**	**0**

2026 Public Housing	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Total PH Inspections Conducted	71	43	126	40	44	21	21					

5/18/26 Weather Extension Results					May							
Pass					35							
Fail					8							

* included in monthly totals

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

PERIOD ENDING July 31, 2026

ANNUAL RECERTIFICATION SUMMARY

OHA Annual Recertification Board Dashboard

Month	Total Certs Due	Annuals over 14 months	Incomplete at Month End
Jan	444	0	0
Feb	463	0	0
Mar	464	0	1
Apr	516	0	4
May	479	0	19
Jun	487	0	40
Jul	473	0	115
Aug	473	0	130
Sep	508	0	156
Oct	565	0	297
Nov	481	0	425
Dec	611	0	567
	5964	0	**1754**

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

Corrective Action Plan (CAP) Update

FY2025 SEMAP Confirmatory Review

Omaha Housing Authority (OHA) continues to make substantial progress in implementing corrective actions identified through the FY2025 SEMAP Confirmatory Review. Significant accomplishments include completion of corrective actions related to SEMAP Indicators 5 and 6, implementation of enhanced quality control procedures, development of electronic tracking systems, completion of management-level SEMAP training, and updates to policies and procedures supporting SEMAP compliance. Ongoing monitoring, file audits, supervisory reviews, and staff training efforts continue to strengthen program integrity and internal controls.
While meaningful progress has been achieved, several corrective action initiatives remain underway and are scheduled for completion by December 31, 2026. Current efforts focus on staff training, quality control enhancements, documentation improvements, housing opportunity initiatives, and rent calculation accuracy. OHA remains committed to restoring and sustaining full SEMAP compliance through accountability, continuous monitoring, and operational improvements.

SEMAP Corrective Action Status Matrix

SEMAP Indicator	Corrective Action Status	Key Accomplishments	Remaining Actions
Indicator 1 – Waiting List Selection	**In Progress (70%)**	Policies and procedures completed; management SEMAP training completed; 100% QC review process implemented.	Complete staff training, implement final SOP, continue universe calculation and compliance monitoring activities.
Indicator 2 – Rent Reasonableness	**In Progress**	Review of QC methodology completed; corrective action plan established.	Implement QC tracking tool, revise sampling methodology, strengthen documentation standards, implement supervisory review procedures.

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

Indicator 3 – Adjusted Income Determinations	**In Progress**	Expanded QC reviews and file auditing activities underway.	Complete Administrative Plan revisions, implement QC calculator, finalize QC documentation standards, continue staff training and quarterly audits.
Indicator 5 – HQS Quality Control Inspections	**Completed**	SEMAP training completed; actual universe methodology implemented; 97 QC inspections completed; secondary review process established.	Ongoing quarterly monitoring and audit reviews.
Indicator 6 – HQS Enforcement	**Completed**	Centralized 24-hour deficiency tracking established; Yardi tracking implemented; SOP updated.	Continue quarterly QC reviews, automated tracking enhancements, and compliance monitoring.
Indicator 7 – Expanding Housing Opportunities	**In Progress**	Landlord outreach documentation initiative underway; housing opportunity maps under development.	Complete mobility maps, implement participant survey, document outreach efforts, develop centralized compliance records.
Indicator 10 – Correct Tenant Rent Calculations	**In Progress**	Expanded QC reviews, enhanced audit protocols, ongoing file audits.	Finalize standardized file checklist, continue staff training, maintain 10% audit reviews, achieve and sustain 98% accuracy.

Memorandum

To: Board of Commissioners

From: Philisa Smith, HCV Director

Date: August 27, 2026

Re: Monthly Utilization Report

Overall CAP Status

Completed

- SEMAP Indicator 5 – HQS Quality Control Inspections
- SEMAP Indicator 6 – HQS Enforcement
- Management SEMAP training
- Development of key policies and procedures
- Electronic tracking enhancements for inspection compliance activities
- Expanded quality control oversight processes

In Progress

- Staff SEMAP training initiatives
- Rent reasonableness quality control enhancements
- Income determination and rent calculation improvements
- Housing opportunity and mobility documentation efforts
- Administrative Plan and SOP revisions
- SEMAP sampling and universe calculation standardization

Target Completion

All remaining corrective actions are targeted for completion by **December 31, 2026**, with ongoing quarterly reviews and management oversight to ensure sustainability and compliance.

Conclusion

OHA has made meaningful progress in addressing the deficiencies identified during the FY2025 SEMAP Confirmatory Review and has successfully implemented several key corrective actions, including enhanced quality control processes, updated policies and procedures, expanded monitoring activities, management training, and improved tracking systems. Corrective actions for HQS Quality Control Inspections and HQS Enforcement have been successfully implemented and transitioned to ongoing monitoring and sustainability activities. Remaining SEMAP indicators continue to progress according to established implementation timelines.

Management remains committed to completing all remaining corrective actions by December 31, 2026, strengthening internal controls, and maintaining full compliance with HUD requirements. Through continued staff training, quarterly SEMAP reviews, enhanced quality assurance measures, and ongoing oversight, OHA is well positioned to restore and sustain full SEMAP compliance while improving operational effectiveness, program integrity, and service delivery to program participants and property owners.

8.2. Asset Management (Public Housing)

OHA Property Management Report
July 31, 2026

PUBLIC HOUSING

Development			Occupancy			Tenant Accounts Receivable				Net Operating Income			PHAS
Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied	TAR Balance	Tenant Revenue	Prev Mo TAR Ratio	Current Mo TAR Ratio	YTD Actual	YTD Budget	YTD Variance	MASS Points (of 25)
Towers	Florence Tower	106	0	0	100.0%	$87,742	$19,318	3.27	4.54	$(133,913)	$(239,907)	$105,994	21
	Benson Tower	143	0	4	97.1%	$116,873	$35,325	3.11	3.31	$(247,018)	$(345,073)	$98,055	18
	Jackson Tower	207	3	4	98.1%	$139,348	$48,014	3.08	2.90	$(546,087)	$(528,061)	$(18,026)	22
	Park South Tower	221	4	5	98.2%	$126,636	$61,679	2.17	2.05	$(474,598)	$(471,330)	$(3,268)	22
	Highland Tower	106	0	0	100.0%	$74,778	$31,634	2.04	2.36	$(138,584)	$(202,030)	$63,446	21
Elderly	Evans Tower	110	0	0	100.0%	$58,849	$35,054	1.61	1.68	$(124,636)	$(222,035)	$97,399	21
	Crown Tower	149	0	1	99.3%	$58,772	$50,144	1.15	1.17	$(342,619)	$(397,062)	$54,443	22
	Underwood Tower	104	0	0	100.0%	$22,663	$36,354	0.53	0.62	$(100,756)	$(238,706)	$137,950	21
	Kay Jay Tower	117	0	0	100.0%	$33,822	$25,698	1.15	1.32	$(182,406)	$(230,227)	$47,821	22
Multi Family	Southside	357	0	0	100.0%	$(15,591)	$1,034	-2.41	-15.08	$(973,565)	$(845,763)	$(127,802)	22
	Park Villa	24	0	0	100.0%	$20,187	$6,107	2.41	3.31	$(33,724)	$(50,177)	$16,453	21
	Farnam	20	0	0	100.0%	$39,369	$18,029	2.33	2.18	$(155,498)	$(122,842)	$(32,656)	21
	Bayview	12	0	0	100.0%	$3,180	$3,534	1.65	0.90	$(60,893)	$(64,182)	$3,289	22
Single Family Homes/ Duplexes	Scat-Site North East	109	2	2	100.0%	$190,115	$47,940	4.08	3.97	$(60,617)	$(35,496)	$(25,121)	22
	N. Omaha Afford Homes	24	1	1	95.8%	$39,403	$17,082	1.47	2.31	$(66,380)	$(124,699)	$58,319	13
	Crown I	16	0	0	100.0%	$17,060	$7,205	1.94	2.37	$(337)	$(50,514)	$50,177	22
	Crown II	12	0	0	100.0%	$(2,156)	$6,589	-0.69	-0.53	$(11,989)	$(36,300)	$24,311	27
	Scat-Site South East	137	1	2	99.3%	$77,886	$54,840	1.28	1.42	$(167,105)	$284,809	$(451,914)	22
	Scat-Site North West	115	1	0	100.0%	$166,670	$71,261	2.17	2.34	$(224,160)	$(381,602)	$157,442	21
	Keystone Crown Creek	37	0	0	100.0%	$39,053	$17,320	2.27	2.25	$(120,074)	$(203,121)	$83,047	20
	Scat-Site South West	75	0	0	100.0%	$76,785	$29,569	1.89	2.60	$(106,847)	$(175,639)	$68,792	21
Total		2201	12	12	99.4%	$1,371,444	$623,730	1.7	1.3	$(4,271,806)	$(4,679,957)	$408,151	21.1

MARKET RATE HOUSING

Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied	TAR Balance	Tenant Revenue	Prev Mo TAR Ratio	Current Mo TAR Ratio	YTD Actual	YTD Budget	YTD Variance
Multi	North Villas	14	13	1	92.9%	$62,872	$62,872	1.00	1.00	$(40,200)	$(24,586)	$(15,614)
Multi	Arbor Villas	18	13	0	38.9%	$62,872	$62,872	1.00	1.00	$-	$-	$-
Total		32	26	1	65.9%	$125,744	$125,744	1.0	1.0	$(40,200)	$(24,586)	$(15,614)

AFFORDABLE HOUSING

Development			Occupancy		
Type	Property Name	Total Units	Prev Mo # Vacant	Current Mo # Vacant	Current Mo % Occupied
Multi	Farnam	10	2	2	80.0%
Total		10	2	2	80.0%

OMAHA HOUSING AUTHORITY
Asset Management Report

MASS & Occupancy Performance – July Update

July closed with the portfolio continuing its exceptional performance, ending the month at **99.4%** occupancy. Both the towers and scattered sites remained stable contributors, consistently sustaining high occupancy and demonstrating the effectiveness of ongoing leasing and occupancy management efforts.

The MASS score only slightly decreased to 21.1, reflecting continued stabilization in occupancy and overall performance. With the continued exemptions for our towers—which remain in place as we work toward redevelopment- the MASS reporting now provides a more accurate representation of performance across the portfolio. This month's exceptional occupancy levels played a significant role in maintaining the score and demonstrates continued progress toward improving overall PHAS performance.

Despite strong occupancy, the collection component of PHAS remains our most significant operational challenge. Past-due balances continue to trend higher, and although staff remains engaged with residents through payment plans, repayment agreements, and ongoing outreach, progress is expected to remain stagnant. This will continue to be an area of concern as OHA works through the ongoing impacts of LB840, which has affected the agency's ability to pursue traditional collection and enforcement practices. Coordination with Finance has slowed, resulting in less consistency in collection efforts and operational alignment across the portfolio. Strengthening collaboration between departments remains a priority as OHA continues working through the impacts of LB840 and focuses on improving financial performance.

As occupancy remains strong at 99.4% and the MASS score continues to trend at 21.4, attention will be directed toward strengthening property-level financial performance to complement operational gains and achieve more balanced PHAS results.

Affordable Housing

The Affordable Housing portfolio remains stable overall. At Farnam, the two units that completed turnover last month remain ready for occupancy. No changes have occurred since the prior reporting period. Property Management continues to coordinate with Intake to identify eligible applicants and move the units into lease-up as soon as possible.

Market Rate Housing

North Villas continues to perform well overall. Currently, there is one vacant unit.
This unit has extensive damage, requiring significant repair work before it can be prepared for occupancy. Staff remain engaged with prospective renters and continue targeting outreach to maintain steady leasing activity as the unit becomes available.

Maintenance & Inspection Update

Maintenance operations remain focused on inspection readiness and preserving the overall condition of the portfolio. In early August, OHA underwent REAC inspections at Scatter Site Southwest, Jackson Tower, Park South Tower, and the Farnam Building. Staff worked diligently to complete pre-inspection work orders, correct identified deficiencies, and ensure each property was prepared for a successful review. Preliminary results indicate that Scatter Site Southwest received a score of **71%**, representing a significant improvement over last year's score of 57% and reflecting the team's continued commitment to property maintenance and inspection readiness.

8.3. Housing in Omaha, Inc.

8.4. River City Housing Connections

8.5. Compliance

Memorandum

To: The Board of Commissioners

From: Susan Gilroy, Director of Compliance

Date: August 6, 2026

Re: Compliance Department Update- June 2026

Public Housing Intake

During July, there were 220 public housing applications submitted through the on-line portal and 8 additional applications for our affordable properties. 34 of the applications met the criteria for one-bedroom senior households for designated senior towers. 26 public housing applications were approved during this period with 22 for one bedroom, 0 for two bedrooms, 3 for three bedrooms and 1 for four bedrooms.

In addition to the 186 applications not eligible to apply, there were an additional 46 applicants who were withdrawn during the full application process for no response and unit refusals.

Intake staff continue to upload paper applications as we move to a total paperless process for the public housing waitlist.

Through our redevelopment process, we are shifting our public housing units to the project-based voucher program. At the beginning of August, the Intake department underwent a restructure. The Intake area moved to the Property Management department. Two existing intake staff positions were eliminated as staff moved to openings in Property Management and Compliance and Eligibility.

Reexaminations

HUD's monthly Reexamination Delinquency Report score remained at 100% for the Public Housing completion rate for the third straight month. We continue to work with our residents by encouraging them to complete the necessary steps so their annual recertifications can be completed within HUD's timeframe, so they are not reflected as late on our score.

In July, there were 65 new interims reported for changes. The completion rate for interim recertifications in July is 66%.

The HOTMA chapters of the ACOP for Public Housing and the Administrative Plan for Section 8 have been updated and included this month for board review and approval.

In August, along with the Intake department, the Compliance department restructured into the Compliance and Eligibility department. The recertification process for Public Housing and Section 8 were combined into one department to process annual and interim recertifications. There are a few Section 8 special programs that were not included in this restructure and will remain in the Section 8 department, such as VASH, port outs and mod rehabs.

Additional in-house staff training is scheduled during September and October for not only the HOTMA revisions that are scheduled to be effective 1/1/2027 but also for the staff crossover with the Section 8 and Public Housing programs.

Memorandum

To: The Board of Commissioners

From: Susan Gilroy, Director of Compliance

Date: September 3, 2026

Re: Intake Approved Applications July 2026

Intake Department

Month of July 2026

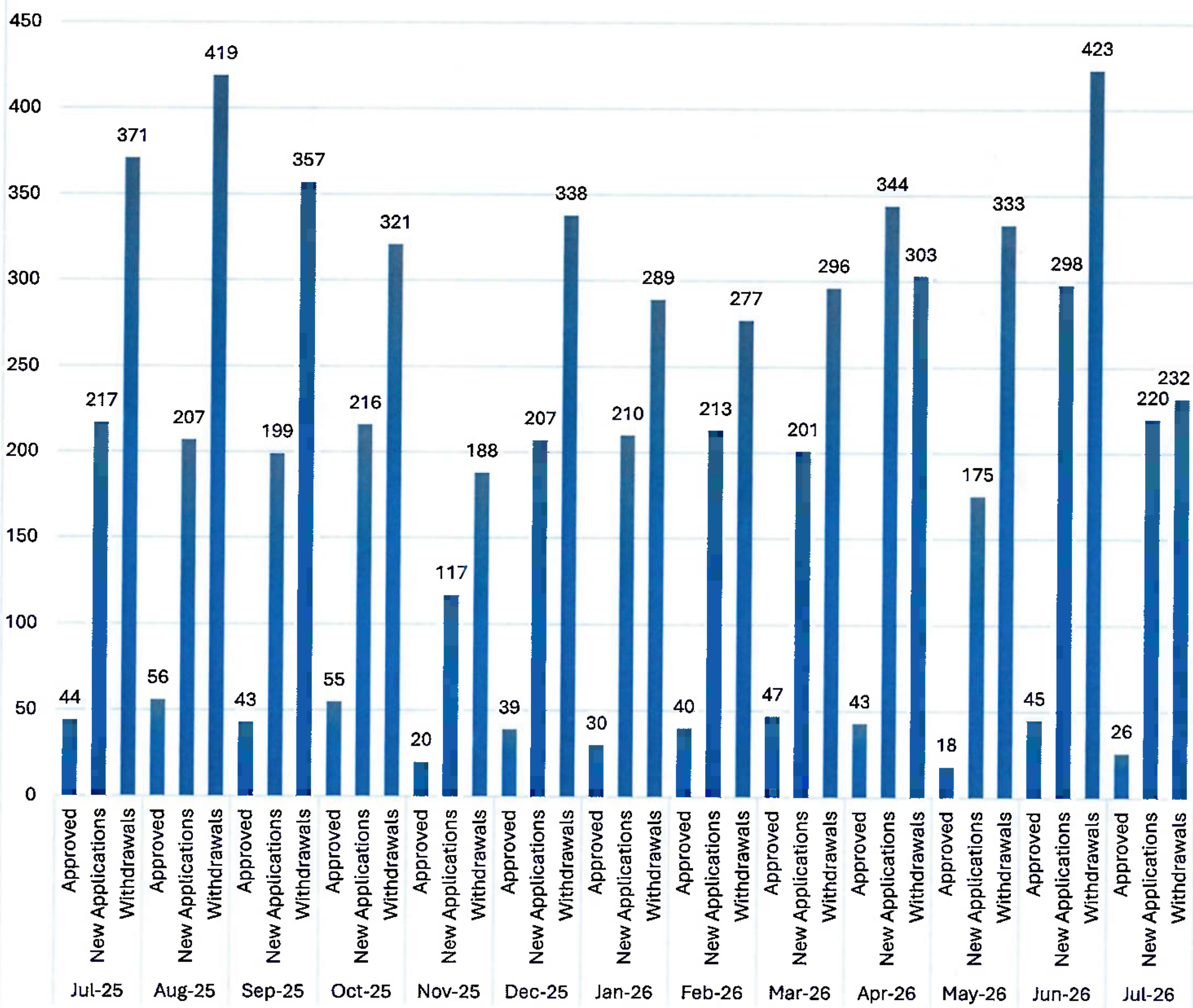
New Public Housing Applications	**220**
New Villas Housing Applications	**0**
New Farnam Straight Tax Credit Housing Applications	**0**
New River City - SCNE Applications	**2**
Approved Public Housing Applications	**26**
Approved Applications for Villas	**0**
Approved Applications for Farnam Apartments Straight Tax Credit	**0**
Approved Applications for River City - SCNE	**0**

	One	Two	Three	Four
Public Housing Applications Approved by Bedroom Size	22	0	3	1

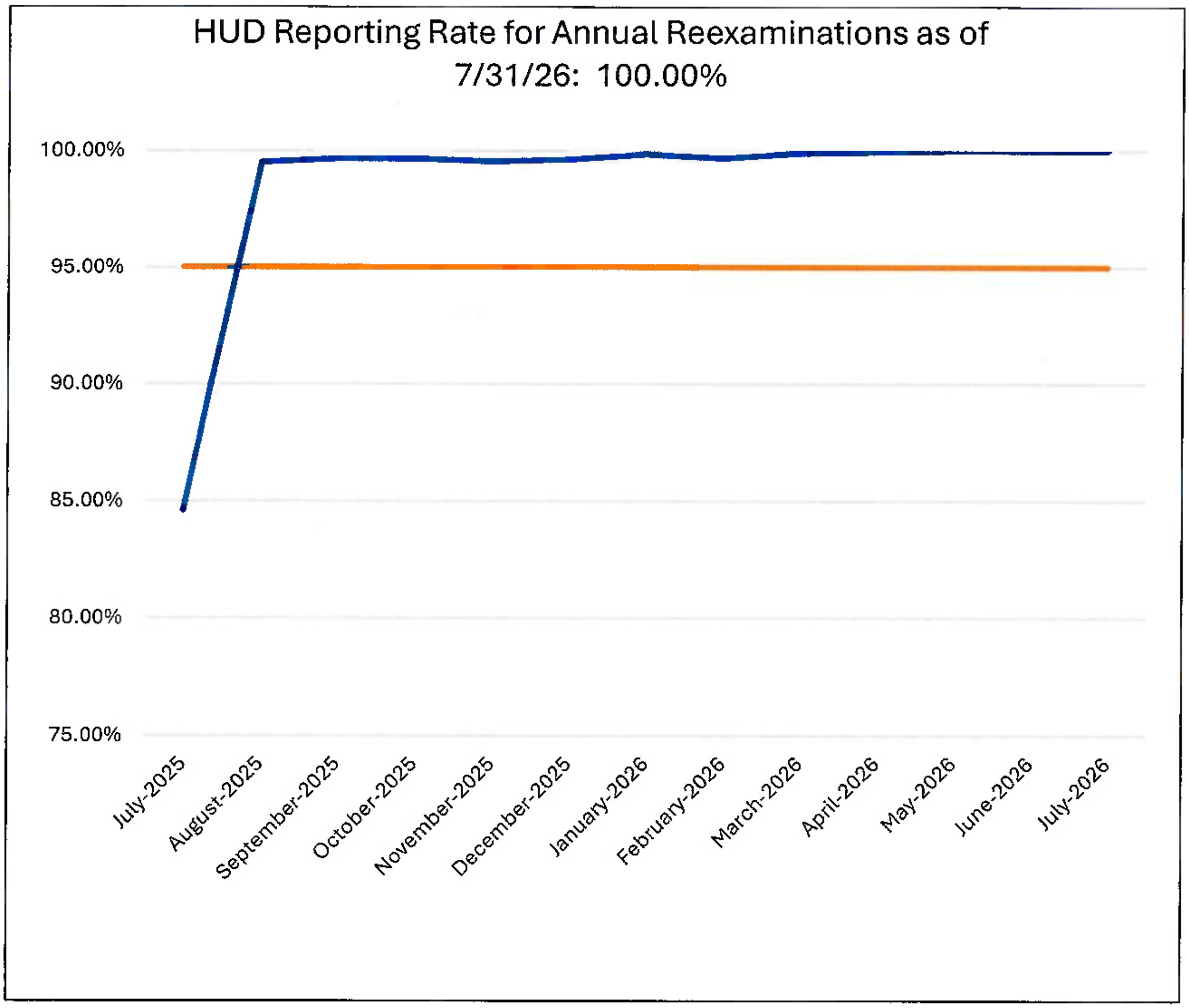
Farnam Apts Straight Tax credit Applications Approved	0	0	0	0
Villas North Applications Approved	0	0	0	0
River City SCNE Applications Approved	0	0	0	0

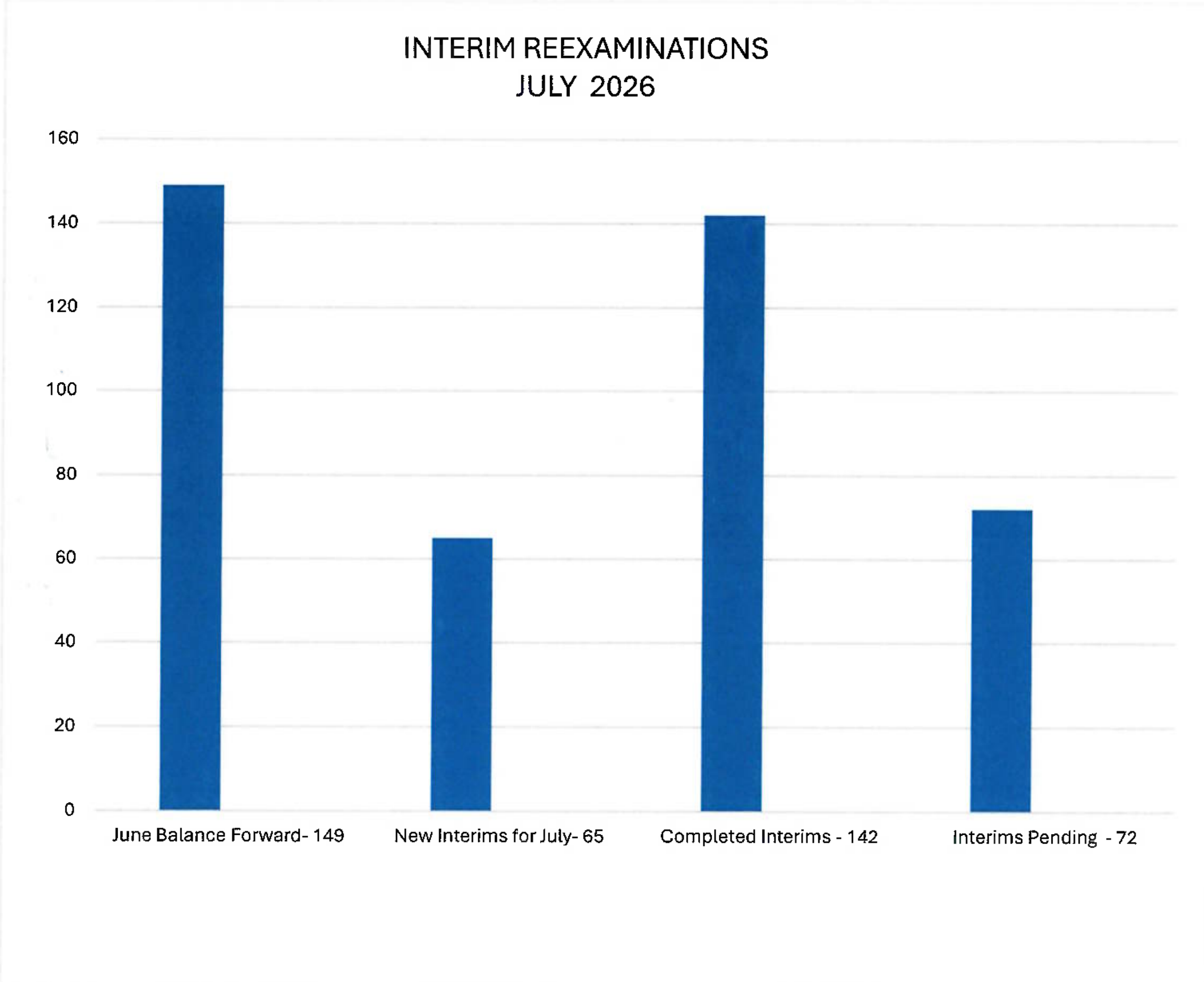
Applications Withdrawn from PH Wait List	232		
No Response During Full Application Process	40		
Owe monies to PHA	0		
Not Eligible to Apply/Waiting List closed	186		
Failed Background Check	0		
Applicant Request	0		
Duplicate	0		
Refused offer	6		
Over Income	0		

PUBLIC HOUSING INTAKE WAITING LIST JULY 2026



HUD Goal
Actual





There were 149 interim recertifications carried over from June and 65 reported changes in July. 142 files were completed during July resulting in a 66% completion rate.

8.6. Financials

New Agency Structure after FMR (7agency2)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES	7,696,778	6,682,829	1,013,950	6,989,332	707,447	55,258,147	46,779,800	8,478,347	53,031,446	2,226,701
EXPENSES	7,796,773	7,602,423	-194,351	4,695,591	-3,101,182	57,529,428	53,216,958	-4,312,471	49,430,611	-8,098,817
TRANSFERS	0	-196,875	-196,875	0	0	0	-1,378,126	-1,378,126	0	0
PRIOR PERIOD ADJUSTMENT	0	0	0	-1	-1	4,858	0	-4,858	999	-3,858
NET OPERATING INCOME (LOSS)	-99,995	-722,719	622,724	2,293,741	-2,393,736	-2,276,139	-5,059,032	2,782,893	3,599,835	-5,875,974
ADJUSTED NET OPERATING INCOME (LOSS)	529,767	-43,185	572,952	-53,132	582,899	2,295,380	-302,294	2,597,674	3,188,380	-893,000

New Agency Structure after FMR (7agency2)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
DWELLING RENTS	632,079	610,466	21,613	618,829	13,250	4,488,684	4,273,261	215,423	4,305,700	182,985
DWELLING RENTS SUBSIDY	131,453	19,779	111,674	45,180	86,273	948,917	138,453	810,464	252,308	696,609
TPA - RENT	0	0	0	0	0	0	0	0	-2,500	2,500
LATE FEES	23,345	13,856	9,489	16,875	6,470	137,263	96,993	40,270	107,181	30,082
LATE FEES {P-NOTES}	1,190	1,308	-118	3,905	-2,715	18,900	9,157	9,743	11,525	7,375
LEGAL FEES	0	15,622	-15,622	11,350	-11,350	0	109,355	-109,355	104,024	-104,024
MAINTENANCE FEES	7,914	32,651	-24,737	37,894	-29,980	75,445	228,557	-153,112	232,113	-156,669
OTHER TENANT REVENUE	19,487	3,255	16,232	4,350	15,136	47,987	22,786	25,202	52,977	-4,990
FRAUD RECOVERY REVENUE	25	1,053	-1,028	375	-350	700	7,369	-6,669	1,900	-1,200
TOTAL TENANT REVENUES	**815,493**	**697,990**	**117,503**	**738,758**	**76,735**	**5,717,896**	**4,885,930**	**831,966**	**5,065,228**	**652,668**
HUD GRANTS AND SUBSIDY										
REVENUES-HUD SUBSIDY	571,298	567,049	4,249	704,756	-133,458	3,924,786	3,969,343	-44,557	4,608,031	-683,245
HOUSING ASST PAYMENTS	4,350,812	4,275,517	75,295	3,867,313	483,499	31,556,676	29,928,618	1,628,058	28,867,966	2,688,710
ONGOING ADMIN FEES EARNED	336,817	346,603	-9,786	303,122	33,695	2,234,495	2,426,220	-191,725	2,217,314	17,181
REVENUES - HUD CAPITAL - HARD COSTS	230,895	0	230,895	591,817	-360,923	1,550,235	0	1,550,235	2,567,773	-1,017,538
REVENUES - HUD CAPITAL - SOFT COSTS	104,697	18,750	85,947	154,409	-49,713	4,171,968	131,250	4,040,718	4,105,010	66,959
TOTAL HUD GRANTS AND SUBSIDY	**5,594,518**	**5,207,919**	**386,600**	**5,621,418**	**-26,899**	**43,438,161**	**36,455,430**	**6,982,730**	**42,366,094**	**1,072,067**
TOTAL FEE REVENUE										
MANAGEMENT FEE	194,728	156,148	38,580	178,763	15,966	1,951,598	1,093,034	858,564	1,285,940	665,658
BOOKKEEPING FEE	14,055	46,777	-32,722	47,648	-33,592	292,328	327,442	-35,114	333,555	-41,228
FRONT LINE SERVICE FEE	208,219	194,075	14,144	190,388	17,832	1,300,450	1,358,527	-58,077	1,412,586	-112,136
FRONT LINE SERVICE FEE {IT}	4,686	6,035	-1,349	7,196	-2,510	38,152	42,246	-4,093	51,205	-13,052
OTHER FEES FOR SERVICE	1,332	585	746	4,508	-3,177	24,178	4,097	20,081	7,918	16,260
TOTAL FEE REVENUE	**423,020**	**403,621**	**19,399**	**428,503**	**-5,483**	**3,606,706**	**2,825,346**	**781,359**	**3,091,203**	**515,502**
OTHER GOV'T GRANTS/DONATIONS	315,772	197,895	117,877	40,854	274,918	2,843,952	1,385,266	1,458,686	765,929	2,078,023
TOTAL OTHER GOV'T GRANTS DONATIONS	**315,772**	**197,895**	**117,877**	**40,854**	**274,918**	**2,843,952**	**1,385,266**	**1,458,686**	**765,929**	**2,078,023**
INVESTMENT INCOME										
INTEREST INCOME - MAIN	1,817	2,574	-757	3,805	-1,988	10,607	18,015	-7,408	18,796	-8,190
TOTAL INTEREST INCOME - MAIN	**1,817**	**2,574**	**-757**	**3,805**	**-1,988**	**10,607**	**18,015**	**-7,408**	**18,796**	**-8,190**
INTEREST INCOME - OTHER	0	13,375	-13,375	0	0	138,685	93,624	45,061	149,451	-10,766
TOTAL NON-CASH INT INCOME {HIO}	**0**	**13,375**	**-13,375**	**0**	**0**	**138,685**	**93,624**	**45,061**	**149,451**	**-10,766**
INTEREST INCOME - RESTRICTED FUNDS	4,327	797	3,529	537	3,790	7,689	5,580	2,109	6,971	718
INT INCOME - RESTRICT FUNDS	**4,327**	**797**	**3,529**	**537**	**3,790**	**7,689**	**5,580**	**2,109**	**6,971**	**718**
OTHER INCOME										
NON-DWELLING RENTS	50,028	36,988	13,040	36,789	13,239	268,932	258,913	10,018	252,251	16,680
NON DWELLING - CLEANING FEES	-1,200	0	-1,200	0	-1,200	-1,200	0	-1,200	0	-1,200
MISCELLANEOUS INCOME	350	69	281	150	200	78,122	481	77,641	550	77,572
COMMISION INCOME	5,763	6,019	-257	5,295	468	38,284	42,135	-3,851	40,402	-2,118
ADMINISTRATIVE FEES	156	1,416	-1,260	1,183	-1,027	19,832	9,914	9,918	9,433	10,399
DONATIONS - GENERAL	7,602	0	7,602	1,002	6,600	9,815	0	9,815	1,055	8,760
MISCELLANEOUS GRANT REVENUE	15,000	5,833	9,167	10,000	5,000	15,000	40,833	-25,833	10,000	5,000
DEVELOPERS FEES	410,241	108,333	301,908	98,539	311,702	530,605	758,333	-227,729	994,823	-464,218
GAIN/LOSS ON SALE OF FIXED ASSET	0	0	0	0	0	-1,793,899	0	-1,793,899	6,094	-1,799,993
INSURANCE PROCEEDS	53,881	0	53,881	2,500	51,381	328,887	0	328,887	253,166	75,722
TOTAL OTHER INCOME	**541,821**	**158,658**	**383,162**	**155,458**	**386,363**	**-505,623**	**1,110,609**	**-1,616,232**	**1,567,773**	**-2,073,396**
PASSTHROUGH RAD REVENUE	12	0	12	0	12	74	0	74	0	74
TOTAL PASSTHROUGH RAD REVENUE	**12**	**0**	**12**	**0**	**12**	**74**	**0**	**74**	**0**	**74**
TOTAL REVENUES	**7,696,778**	**6,682,829**	**1,013,950**	**6,989,332**	**707,447**	**55,258,147**	**46,779,800**	**8,478,347**	**53,031,446**	**2,226,701**
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES										
ADMINISTRATIVE SALARIES										
ADMIN SALARIES	596,387	631,949	35,562	561,371	-35,016	4,179,458	4,423,645	244,186	4,076,719	-102,740
ADMIN CASUAL LABOR	0	15,616	15,616	0	0	213,023	109,312	-103,710	91,739	-121,283
ALLOC ADMIN SALARIES	-18,346	-9,165	9,182	-17,788	559	-135,986	-64,153	71,834	-130,401	5,585
TOTAL ADMIN SALARIES	**578,041**	**638,401**	**60,360**	**543,583**	**-34,458**	**4,256,495**	**4,468,804**	**212,310**	**4,038,057**	**-218,437**
AUDIT EXPENSE	44,346	12,994	-31,352	32,340	-12,006	135,416	90,955	-44,461	128,249	-7,166
MANAGEMENT FEE	194,728	155,817	-38,912	178,763	-15,966	1,951,598	1,090,717	-860,881	1,285,940	-665,658
BOOKKEEPING FEE	14,055	46,570	32,515	47,648	33,592	292,328	325,993	33,666	333,555	41,228
NIFA MONITORING FEE	0	510	510	0	0	9,270	3,569	-5,701	4,020	-5,250
TOTAL ADMINISTRATIVE FEE	**253,129**	**215,891**	**-37,239**	**258,750**	**5,621**	**2,388,611**	**1,511,234**	**-877,377**	**1,751,764**	**-636,847**
COMPENSATED ABSENCE EXPENSE	0	0	0	0	0	0	0	0	0	0
TOTAL COMPENSATED ABSENCE	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
ADMIN EMPLOYEE BENEFITS	383	5,611	5,228	6,010	5,627	27,145	39,278	12,133	44,471	17,326
ALLOC ADMIN EMP BENEFITS	0	635	635	0	0	0	4,447	4,447	0	0
ER MEDICAL/DENTAL INS - ADMIN	136,424	139,481	3,057	136,006	-417	939,819	976,365	36,546	950,984	11,165
ER PENSION - ADMIN	64,008	34,578	-29,430	24,673	-39,335	209,406	242,046	32,641	184,790	-24,616
ER TAXES-ADMIN	43,369	48,095	4,726	40,639	-2,730	314,577	336,664	22,087	312,943	-1,633
TOTAL ADMIN EMPLOYEE BENEFITS	**244,183**	**228,400**	**-15,783**	**207,328**	**-36,855**	**1,490,946**	**1,598,800**	**107,854**	**1,493,188**	**2,241**
LEGAL SERVICES - OUTSIDE	2,799	21,155	18,356	34,056	31,256	263,854	148,088	-115,766	157,313	-106,540
TRAINING/CONFERENCE	6,501	5,560	-941	3,012	-3,489	39,707	38,920	-787	27,907	-11,800
STAFF MEETING/RETREAT	0	271	271	0	0	2,310	1,896	-415	2,005	-306
TRAVEL	1,140	1,459	319	0	-1,140	8,036	10,213	2,176	8,499	462
MILEAGE	541	568	26	281	-260	5,192	3,976	-1,216	3,603	-1,588

ADMIN VEHICLE - FUEL	0	6	6	92	92	10,249	39	-10,210	130	-10,119
ADMIN VEHICLE - MTCE & REPAIR	0	88	88	75	75	652	613	-39	585	-67
PUBLICATIONS	239	96	-143	0	-239	558	671	113	558	0
MEMBERSHIPS	0	1,738	1,738	779	779	10,561	12,169	1,608	10,906	345
PAYROLL PROCESSING FEE	6,250	4,161	-2,089	6,580	330	48,589	29,126	-19,463	32,461	-16,128
TELEPHONE	4,124	13,343	9,219	3,727	-397	75,545	93,400	17,855	89,752	14,206
SAFETY EQUIPMENT/SUPPLIES	0	1,188	1,188	2,659	2,659	6,163	8,318	2,154	9,595	3,432
LEGAL SERVICES - INTERNAL	18,746	17,930	-816	17,787	-959	136,386	125,511	-10,875	130,401	-5,985
ALLOC INTERNAL LEGAL EXP	0	7,155	7,155	0	0	0	50,085	50,085	42,663	42,663
PRINTER SUPPLIES AND EXP	3,504	2,274	-1,230	5,859	2,355	20,177	15,915	-4,262	19,554	-623
SOFTWARE EXP	156,204	38,783	-117,421	35,371	-120,833	407,076	271,482	-135,594	269,820	-137,256
FORMS AND PRINTING	0	0	0	0	0	3,125	0	-3,125	0	-3,125
OFFICE EXPENSE	4,002	2,260	-1,741	1,900	-2,101	16,136	15,824	-312	15,623	-513
OFFICE FURNISHINGS	2,963	865	-2,098	6,133	3,170	47,713	6,052	-41,661	11,973	-35,740
POSTAGE	500	7,054	6,554	8,015	7,515	46,119	49,376	3,257	49,746	3,628
OFFICE SUPPLIES	4,927	4,884	-43	9,975	5,048	34,643	34,188	-455	39,655	5,012
OFFICE EQUIPMENT LEASES	5,488	3,744	-1,743	5,890	402	28,631	26,211	-2,419	29,255	624
COMPUTER EQUIPMENT	1,529	10,060	8,531	20,863	19,334	34,783	70,422	35,639	82,102	47,319
NETWORK COMMUNICATION	2,872	6,731	3,859	4,256	1,384	43,612	47,117	3,505	51,959	8,347
ADVERTISING /NEWSPAPER ADS	156	282	126	0	-156	637	1,975	1,338	1,644	1,006
CABLE TV	420	420	0	0	-420	3,447	2,940	-507	2,478	-969
EMPLOYEE HIRING & ADMIN EXP	3,100	2,889	-212	10,274	7,174	25,135	20,221	-4,914	87,584	62,449
CONSULTING	5,631	5,685	54	7,824	2,193	95,178	39,792	-55,386	46,853	-48,325
BANK FEE	5,370	4,065	-1,305	14	-5,356	38,859	28,456	-10,403	23,694	-15,164
SECT 8 PORT OUT ADMIN FEES	5,614	0	-5,614	3,669	-1,945	38,119	0	-38,119	17,669	-20,449
LATE FEES	4	374	369	17	13	553	2,616	2,063	2,251	1,698
MISCELLANEOUS EXPENSE	2,779	3,753	974	1,228	-1,551	2,497	26,271	23,774	-28,770	-31,267
FEES - PERMITS	0	18	18	18	18	0	126	126	123	123
PROPERTY TAX	7,174	1,916	-5,259	6,689	-485	17,201	13,410	-3,791	18,114	913
RENTAL EXPENSE	3,830	3,030	-800	445	-3,385	22,529	21,209	-1,321	19,209	-3,320
IT SUPPORT - CONTR SERV	27,083	20,891	-6,193	18,260	-8,823	251,183	146,234	-104,949	140,766	-110,417
PROFESSIONAL FEES	0	171	171	0	0	0	1,199	1,199	998	998
DEVELOPER'S FEE	0	2	2	0	0	0	12	12	10	10
TOTAL OTHER ADMIN EXPENSES	**283,489**	**194,867**	**-88,622**	**215,750**	**-67,740**	**1,785,155**	**1,364,069**	**-421,085**	**1,418,689**	**-366,466**
FEE FOR SERVICE	4,686	6,229	1,543	7,196	2,510	38,152	43,603	5,450	51,205	13,052
TENANT RESTITUTION	0	3,948	3,948	0	0	2,090	27,638	25,548	26,500	24,410
TOTAL FEE FOR SERVICE	**4,686**	**10,177**	**5,491**	**7,196**	**2,510**	**40,242**	**71,241**	**30,999**	**77,705**	**37,462**
TOTAL ADMINISTRATIVE EXPENSES	**1,363,528**	**1,287,736**	**-75,793**	**1,232,607**	**-130,921**	**9,961,449**	**9,014,149**	**-947,300**	**8,779,402**	**-1,182,046**
RESIDENT SERVICES SALARIES										
RESIDENT SERVICES SALARIES	4,402	4,768	367	4,273	-128	31,282	33,378	2,096	30,524	-759
RESIDENT SERVICE CASUAL LABOR	4,438	6,691	2,253	6,900	2,462	37,732	46,835	9,103	46,662	8,930
TOTAL RESIDENT SERV SALARIES	**8,839**	**11,459**	**2,620**	**11,173**	**2,334**	**69,014**	**80,213**	**11,199**	**77,186**	**8,172**
RELOCATION EXPENSES	100,040	65,479	-34,561	1,395	-98,645	496,501	458,350	-38,151	424,864	-71,637
RELOCATION - MOVING EXPENSE	147	419	272	600	453	11,186	2,935	-8,250	3,973	-7,213
RELOCATION - MISCELLANEOUS	0	367	367	0	0	0	2,570	2,570	6,494	6,494
TOTAL RELOCATION EXPENSE	**100,187**	**66,265**	**-33,921**	**1,995**	**-98,192**	**507,687**	**463,855**	**-43,831**	**435,331**	**-72,356**
RESIDENT SERV EMPLOYEE BENEFITS	0	0	0	0	0	148	0	-148	0	-148
ER MEDICAL/DENTAL INS - RES SERV	1,930	1,985	55	1,891	-39	13,468	13,896	429	13,235	-233
ER PENSION - RES SERV	473	262	-211	213	-260	1,673	1,836	163	1,589	-84
ER TAXES-RES SERV	299	365	65	290	-10	2,243	2,553	310	2,244	1
TOTAL RESIDENT SERV EMP BENEFITS	**2,702**	**2,612**	**-90**	**2,394**	**-308**	**17,532**	**18,286**	**754**	**17,068**	**-464**
YOUTH ACTIVITIES	19,959	419	-19,540	0	-19,959	19,959	2,932	-17,027	2,440	-17,519
YOUTH ACTIVITIES - SCHOLARSHIPS	0	0	0	0	0	699	0	-699	0	-699
TOTAL YOUTH ACTIVITIES	**19,959**	**419**	**-19,540**	**0**	**-19,959**	**20,658**	**2,932**	**-17,726**	**2,440**	**-18,218**
RESIDENT SERVICES EXPENSE	333	8,119	7,786	338	5	327,340	56,831	-270,508	6,886	-320,453
RESIDENT SERVICES EVENTS & ACTIVITIES	0	1,585	1,585	0	0	5,556	11,095	5,540	9,233	3,678
RESIDENT FUND - STIPENDS	3,853	4,571	718	4,189	336	19,736	31,997	12,261	19,384	-352
RESIDENT FUND - MEETING EXPENSES	312	484	172	500	188	3,419	3,386	-34	3,317	-102
RESIDENT FUND - OTHER	1,200	0	-1,200	2,745	1,545	3,226	0	-3,226	1,945	-1,281
TOTAL RESIDENT FUND	**5,698**	**14,758**	**9,061**	**7,772**	**2,074**	**359,276**	**103,309**	**-255,967**	**40,766**	**-318,510**
FRONT LINE SERVICE FEE	208,219	192,058	-16,161	160,099	-48,121	1,299,980	1,344,407	44,426	1,181,228	-118,753
TOTAL FEE FOR SERVICE	**208,219**	**192,058**	**-16,161**	**160,099**	**-48,121**	**1,299,980**	**1,344,407**	**44,426**	**1,181,228**	**-118,753**
TOTAL OTHER RESIDENT SERVICES	**345,603**	**287,572**	**-58,031**	**183,432**	**-162,171**	**2,274,148**	**2,013,003**	**-261,145**	**1,754,019**	**-520,129**
TOTAL RESIDENT SERVICE EXPENSES	**345,603**	**287,572**	**-58,031**	**183,432**	**-162,171**	**2,274,148**	**2,013,003**	**-261,145**	**1,754,019**	**-520,129**
UTILITY EXPENSES										
UTILITY - WATER	31,058	25,168	-5,890	32,261	1,203	191,462	176,175	-15,287	200,115	8,653
UTILITY - ELECTRIC	115,120	108,940	-6,180	11,806	-103,313	826,835	762,577	-64,258	1,017,582	190,747
UTILITY - GAS	5,808	38,311	32,503	7,089	1,281	277,358	268,178	-9,180	284,130	6,772
UTILITY - SEWER	35,254	35,195	-59	37,582	2,327	261,035	246,366	-14,669	281,751	20,716
TOTAL UTILITY EXPENSES	**187,240**	**207,614**	**20,374**	**88,738**	**-98,501**	**1,556,690**	**1,453,295**	**-103,394**	**1,783,578**	**226,888**
TOTAL MAINTENANCE										
MAINTENANCE SALARIES										
MAINTENANCE SALARIES	209,135	282,048	72,914	249,451	40,317	1,662,199	1,974,339	312,140	1,861,647	199,449
MAINTENANCE CASUAL LABOR	19,460	27	-19,433	1,250	-18,210	34,704	190	-34,514	1,250	-33,454
ALLOC MAINT SALARIES	0	-8,270	-8,270	0	0	0	-57,890	-57,890	0	0
CUSTODIAN SALARIES	0	8,105	8,105	0	0	0	56,737	56,737	0	0
TOTAL MAINTENANCE SALARIES	**228,595**	**281,911**	**53,316**	**250,701**	**22,106**	**1,696,903**	**1,973,376**	**276,473**	**1,862,897**	**165,994**
MAINTENANCE MATERIALS	3,687	0	-3,687	0	-3,687	31,902	0	-31,902	0	-31,902
APPLIANCES	6,663	17,220	10,557	27,280	20,616	64,867	120,541	55,674	139,657	74,790
DWELLING EQUIPMENT	384	112	-273	670	286	5,712	782	-4,930	1,451	-4,261
PAINT	6,308	7,961	1,652	10,138	3,830	40,385	55,725	15,340	60,987	20,602
CLEANING SUPPLIES	1,019	2,457	1,438	3,629	2,610	13,646	17,200	3,553	17,753	4,107
HVAC MATERIALS	5,937	5,656	-280	28,579	22,642	30,479	39,595	9,117	127,014	96,535

LANDSCAPING MATERIALS	0	77	77	0	0	279	536	257	515	236
PLUMBING MATERIALS	3,723	20,589	16,866	30,164	26,442	71,850	144,121	72,271	161,986	90,135
ELECTRICAL MATERIALS	756	5,538	4,782	7,094	6,338	17,261	38,765	21,504	43,826	26,566
GASOLINE USAGE FOR MAINT VEHICLES	0	1,291	1,291	20	20	17,899	9,040	-8,859	12,006	-5,893
PEST CONTROL SUPPLIES	36	2,289	2,253	2,294	2,258	10,311	16,020	5,709	18,020	7,709
MAINTENANCE TOOLS	370	1,706	1,336	264	-106	6,603	11,944	5,341	13,522	6,919
MAINTENANCE MATERIALS	21,296	58,029	36,733	55,078	33,782	204,019	406,203	202,184	316,060	112,040
MAINTENANCE EQUIPMENT	0	192	192	10	10	-1,241	1,346	2,587	1,082	2,324
EARLY PAY DISCOUNT	-1,684	-1,006	678	0	1,684	-12,966	-7,039	5,926	-6,164	6,802
TOTAL MAINTENANCE MATERIALS	**48,496**	**122,111**	**73,615**	**165,220**	**116,724**	**501,007**	**854,779**	**353,771**	**907,715**	**406,707**
ELEVATORS - CONTRACTED SERV	8,297	9,672	1,375	10,227	1,930	69,069	67,705	-1,364	74,422	5,352
HVAC - CONTRACTED SERV	25,190	19,798	-5,392	50,218	25,028	298,803	138,585	-160,219	275,952	-22,851
LAWNS - CONTRACTED SERV	52,670	27,722	-24,948	28,073	-24,597	137,750	194,051	56,301	179,432	41,682
MATS/UNIFORMS - CONTRACTED SVCE	154	929	775	76	-78	6,948	6,504	-444	6,716	-232
PEST CONTROL - CONTRACTED SERV	180	4,767	4,587	3,251	3,071	5,012	33,367	28,355	34,078	29,066
SNOW REMOVAL - CONTRACTED SERV	47	8,368	8,321	0	-47	84,557	58,573	-25,985	90,159	5,602
TRASH - CONTRACTED SERV	23,669	7,801	-15,869	43,948	20,279	-23,031	54,605	77,636	64,075	87,106
LANDFILL FEES - CONTRACTED SERV	622	428	-194	304	-317	2,822	2,993	171	3,140	318
CLEANING - CONTRACTED SERV	32,605	59,894	27,289	68,550	35,945	348,515	419,258	70,743	442,860	94,344
PAINTING - CONTRACTED SERV	12,604	14,397	1,793	27,133	14,530	94,672	100,776	6,104	112,545	17,873
ARBORIST - CONTRACTED SERV	20,275	6,295	-13,980	12,969	-7,306	100,151	44,065	-56,086	53,709	-46,442
FLOORING REPL - CONTRACTED SERV	7,151	9,459	2,308	34,568	27,417	213,138	66,214	-146,924	341,317	128,179
OUTDOOR CLEANING - CONTRACTED SERV	0	141	141	0	0	0	984	984	11,700	11,700
CONCRETE WORK - CONTRACTED SERV	1,750	310	-1,440	0	-1,750	18,620	2,172	-16,448	1,807	-16,813
ELECTRICAL - CONTRACTED SERV	3,406	10,297	6,891	8,093	4,687	65,128	72,077	6,948	91,722	26,593
LANDSCAPE - CONTRACTED SERV	160	1,235	1,075	27,200	27,040	2,976	8,642	5,666	33,585	30,609
PLUMBING - CONTRACTED SERV	2,007	11,175	9,168	28,788	26,781	74,194	78,226	4,032	161,240	87,046
ROOF REPAIRS - CONTRACTED SERV	1,340	1,148	-192	7,976	6,636	79,153	8,037	-71,115	22,736	-56,416
EXTERIOR REPAIRS - CONTRACTED SERV	2,105	1,921	-184	8,150	6,045	55,624	13,450	-42,174	30,837	-24,787
VEHICLE MAINTENANCE & REPAIR	2,382	5,573	3,192	4,231	1,850	33,039	39,012	5,973	44,155	11,116
MAINTENANCE EQUIPMENT REPAIR	0	1,601	1,601	545	545	5,861	11,209	5,347	11,009	5,148
WINDOWS/DOORS REPL - CONTRACTED SERV	12,348	15,707	3,359	17,757	5,409	90,154	109,947	19,793	120,287	30,133
VACANT TURNOVER - CONTRACTED SERV	35,350	850	-34,500	0	-35,350	89,074	5,952	-83,122	6,451	-82,623
INSPECTIONS - CONTRACTED SERV	8,954	1,801	-7,153	580	-8,374	205,074	12,609	-192,465	68,181	-136,893
INTERIOR REPAIRS - CONTRACTED SERV	-326,145	4,330	330,475	65,419	391,564	123,343	30,308	-93,035	532,045	408,702
FIRE SAFETY - CONTRACTED SERVICES	-8,808	21,012	29,820	16,300	25,108	78,834	147,082	68,248	228,210	149,376
OTHER - OUTSIDE MAINT	0	283	283	1,513	1,513	0	1,983	1,983	8,113	8,113
HAZMAT - CONTRACTED SERV	3,600	1,638	-1,962	21,258	17,658	122,094	11,464	-110,630	150,334	28,240
RADON - CONTRACTED SERV	0	93	93	0	0	1,720	649	-1,071	2,090	370
DWELLING/MECHANICAL UPGRADES - CONTR S	0	68	68	0	0	0	478	478	398	398
SITE DEVELOPMENT	0	0	0	0	0	-26,602	0	26,602	0	26,602
ALLOC INSPECTIONS EXPENSE	1,332	585	-746	4,508	3,177	24,178	4,097	-20,081	7,918	-16,260
TOTAL MAINT SERVICES AND CONTRACTS	**-76,757**	**249,296**	**326,053**	**491,638**	**568,395**	**2,380,872**	**1,745,074**	**-635,799**	**3,211,225**	**830,352**
MAINTENANCE EMPLOYEE BENEFITS	86	1,818	1,732	158	72	6,611	12,729	6,117	1,566	-5,045
ALLOC MAINT EMP BENEFITS	0	-1,640	-1,640	0	0	0	-11,482	-11,483	0	0
ER MED/DENTAL INS - MAINT	59,775	65,124	5,349	63,318	3,543	457,857	455,868	-1,989	444,211	-13,645
ER PENSION - MAINT	26,710	15,513	-11,198	11,689	-15,021	85,065	108,589	23,524	85,817	752
ER TAXES - MAINT	15,102	21,577	6,475	17,879	2,777	124,667	151,037	26,370	143,262	18,595
ER PENSION - GROUND CREW	0	124	124	0	0	0	865	865	0	0
TOTAL MAINT EMPLOYEE BENEFITS	**101,673**	**102,515**	**842**	**93,044**	**-8,629**	**674,200**	**717,605**	**43,404**	**674,857**	**657**
TOTAL MAINTENANCE EXPENSES	**302,007**	**755,833**	**453,826**	**1,000,604**	**698,596**	**5,252,983**	**5,290,833**	**37,850**	**6,656,694**	**1,403,711**
PROTECTIVE SERVICE EXPENSES										
PROTECTIVE SERVICE SALARIES										
SECURITY SALARY	0	0	0	20,934	20,934	0	0	0	137,775	137,775
TOTAL PROTECTIVE SERV SALARIES	**0**	**0**	**0**	**20,934**	**20,934**	**0**	**0**	**0**	**137,775**	**137,775**
FRONT LINE SERVICE FEES	0	0	0	30,289	30,289	470	0	-470	231,358	230,888
TOTAL FEE FOR SERVICE	**0**	**0**	**0**	**30,289**	**30,289**	**470**	**0**	**-470**	**231,358**	**230,888**
GUARDS - CONTRACTED SECURITY	142,450	0	-142,450	0	-142,450	508,889	0	-508,889	123,036	-385,853
SECURITY & MONITORING	36,600	4,549	-32,051	0	-36,600	253,187	31,841	-221,346	28,525	-224,662
SECURITY - CONTRACTED SERV	0	69,146	69,146	99,492	99,492	448,114	484,025	35,911	131,290	-316,824
SECURITY EQUIPMENT & MATERIALS	6,242	56,906	50,663	16,990	10,748	32,996	398,340	365,343	356,581	323,584
TOTAL SECURITY EXPENSE	**185,292**	**130,601**	**-54,691**	**116,482**	**-68,810**	**1,243,186**	**914,205**	**-328,981**	**639,432**	**-603,754**
ER MEDICAL/DENTAL INS - SECURITY	0	0	0	21	21	0	0	0	3,691	3,691
ER PENSION - SECURITY	0	0	0	508	508	0	0	0	5,730	5,730
ER TAXES - SECURITY	0	0	0	1,602	1,602	0	0	0	11,516	11,516
TOTAL SECURITY EMPLOYEE BENEFITS	**0**	**0**	**0**	**2,131**	**2,131**	**0**	**0**	**0**	**20,937**	**20,937**
TOTAL PROTECT SERVICE EXPENSES	**185,292**	**130,601**	**-54,691**	**169,835**	**-15,457**	**1,243,656**	**914,205**	**-329,450**	**1,029,502**	**-214,153**
GENERAL EXPENSES										
INSURANCE EXPENSES										
INSURANCE - LIABILITY	29,897	31,086	1,189	23,759	-6,138	286,859	217,599	-69,260	247,613	-39,246
INSURANCE - PROPERTY	88,678	73,646	-15,031	79,195	-9,483	541,705	515,524	-26,181	573,128	31,423
INSURANCE - WORKERS COMP	12,786	27,254	14,468	-3,104	-15,890	30,111	190,779	160,669	153,531	123,420
TOTAL INSURANCE EXP	**131,361**	**131,986**	**626**	**99,850**	**-31,511**	**858,675**	**923,903**	**65,228**	**974,272**	**115,598**
BAD DEBT EXPENSE	66,310	56,667	-9,643	71,559	5,249	157,212	396,667	239,454	501,833	344,621
TOTAL BAD DEBT EXPENSE	**66,310**	**56,667**	**-9,643**	**71,559**	**5,249**	**157,212**	**396,667**	**239,454**	**501,833**	**344,621**
CLOSING COSTS	0	0	0	0	0	11,071	0	-11,071	0	-11,071
MORTGAGE INTEREST	5,545	5,630	85	5,749	204	39,553	39,409	-144	40,977	1,424
TOTAL LOAN INTEREST	**5,545**	**5,630**	**85**	**5,749**	**204**	**39,553**	**39,409**	**-144**	**40,977**	**1,424**
TOTAL GENERAL EXPENSES	**203,215**	**194,283**	**-8,932**	**177,157**	**-26,058**	**1,066,511**	**1,359,978**	**293,467**	**1,517,082**	**450,571**
OTHER EXPENSES										
CASUALTY LOSS										
CASUALTY LOSS MATERIALS	0	0	0	0	0	0	0	0	4,284	4,284
CASUALTY LOSS CONTRACTS	0	0	0	0	0	4,102	0	-4,102	0	-4,102
NET CASUALTY LOSS	**0**	**0**	**0**	**0**	**0**	**4,102**	**0**	**-4,102**	**4,284**	**182**

TOTAL OTHER EXPENSES	**0**	**0**	**0**	**0**	**0**	**4,102**	**0**	**-4,102**	**4,284**	**182**
TOTAL OPERATING EXPENSES	**2,586,886**	**2,863,638**	**276,752**	**2,852,374**	**265,488**	**21,359,538**	**20,045,462**	**-1,314,076**	**21,524,562**	**165,023**
NON-OPERATING EXPENSES										
HAP EXPENSES										
HAP EXPENSE	4,289,297	3,847,123	-442,174	3,962,437	-326,860	29,711,200	26,929,858	-2,781,341	26,809,765	-2,901,434
HAP EXPENSE - PORTABLE	137,335	67,074	-70,261	88,830	-48,505	952,800	469,518	-483,282	486,272	-466,528
HAP EXPENSE - PORTIN	34,566	0	-34,566	0	-34,566	133,415	0	-133,415	0	-133,415
UTILITY REIMBURSEMENT	118,921	145,054	26,133	138,823	19,902	800,908	1,015,381	214,473	1,021,467	220,559
TOTAL HAP EXPENSES	**4,580,119**	**4,059,251**	**-520,868**	**4,190,090**	**-390,029**	**31,598,323**	**28,414,757**	**-3,183,566**	**28,317,504**	**-3,280,818**
DEPRECIATION EXPENSE	629,762	679,534	49,772	-2,346,873	-2,976,635	4,571,519	4,756,738	185,219	-411,455	-4,982,974
TOTAL DEPR & AMORT EXPENSE	**629,762**	**679,534**	**49,772**	**-2,346,873**	**-2,976,635**	**4,571,519**	**4,756,738**	**185,219**	**-411,455**	**-4,982,974**
PASSTHROUGH RAD EXPENSE	7	0	-7	0	-7	48	0	-48	0	-48
TOTAL PASSTHROUGH RAD EXPENSE	**7**	**0**	**-7**	**0**	**-7**	**48**	**0**	**-48**	**0**	**-48**
TOTAL NON-OPERATING EXPENSES	**5,209,888**	**4,738,785**	**-471,103**	**1,843,217**	**-3,366,670**	**36,169,890**	**33,171,495**	**-2,998,395**	**27,906,050**	**-8,263,840**
TOTAL EXPENSES	**7,796,773**	**7,602,422**	**-194,351**	**4,695,591**	**-3,101,182**	**57,529,428**	**53,216,958**	**-4,312,471**	**49,430,611**	**-8,098,817**
TRANSFERS BET PROGRAMS & PROJECTS - IN	67,492	225,256	-157,764	32,660	34,832	2,191,621	1,576,791	614,830	2,861,593	-669,972
TRANSFERS BET PROGRAMS & PROJECTS - OUT	67,492	28,381	-39,111	32,660	-34,832	2,191,621	198,665	-1,992,956	2,861,593	669,972
OPERATING TRANSFER - IN	0	0	0	0	0	79,062	0	79,062	0	79,062
OPERATING TRANSFER - OUT	0	0	0	0	0	79,062	0	-79,062	0	-79,062
TOTAL TRANSFERS	**0**	**-196,875**	**-196,875**	**0**	**0**	**0**	**-1,378,126**	**-1,378,126**	**0**	**0**
PRIOR PERIOD ADJUSTMENT	0	0	0	-1	-1	4,858	0	-4,858	999	-3,858
TOTAL PRIOR PERIOD ADJUSTMENT	**0**	**0**	**0**	**-1**	**-1**	**4,858**	**0**	**-4,858**	**999**	**-3,858**
NET OPERATING INCOME (LOSS)	**-99,995**	**-722,719**	**622,724**	**2,293,741**	**-2,393,736**	**-2,276,139**	**-5,059,032**	**2,782,893**	**3,599,835**	**-5,875,974**
ADJUSTED NET OPERATING INCOME (LOSS)	**529,767**	**-43,185**	**572,952**	**-53,132**	**582,899**	**2,295,380**	**-302,294**	**2,597,674**	**3,188,380**	**-893,000**

New Agency Structure after FMR (7agency2)

Balance Sheet -With YTD

Period = Jul 2026

Book = Accrual ; Tree = ysi_bs

	July 31, 2026	July 1, 2026	Net Change	January 1, 2026	YTD Net Change
CASH AND CASH EQUIVALENTS	**8,379,720**	**8,429,566**	**-49,846**	**7,973,322**	**406,398**
OTHER ACCOUNTS RECEIVABLE	**1,555,875**	**1,751,653**	**-195,778**	**670,241**	**885,634**
A/R INTER-PROPERTY	**1,291,702**	**1,150,319**	**141,383**	**1,271,563**	**20,140**
A/R - TENANT	**769,916**	**717,408**	**52,507**	**117,422**	**652,493**
A/R PROMISSORY NOTES	**2,690,656**	**2,696,372**	**-5,716**	**2,685,524**	**5,132**
ST LEASE RECEIVABLE	201,879	201,879	0	201,879	0
TOTAL INVESTMENTS	**201,879**	**201,879**	**0**	**201,879**	**0**
PREPAID ASSETS	**692,935**	**572,085**	**120,850**	**430,722**	**262,213**
INTER-FUND DUE FROM	**5,850,164**	**5,777,373**	**72,790**	**1,085,808**	**4,764,356**
TOTAL CURRENT ASSETS	**21,432,847**	**21,296,656**	**136,191**	**14,436,481**	**6,996,366**
FIXED ASSETS	**51,361,885**	**51,320,150**	**41,734**	**57,807,094**	**-6,445,209**
NOTES RECEIVABLE	**7,590,674**	**7,090,674**	**500,000**	**6,930,674**	**660,000**
LT INTER-FUND DUE FROM	**2,390,435**	**2,390,435**	**0**	**10,552,103**	**-8,161,668**
TAX CREDIT FEES	**71,655**	**71,655**	**0**	**71,655**	**0**
PREPAID LEASE COSTS	**4,346,570**	**4,346,570**	**0**	**4,346,570**	**0**
LEASES RECEIVABLE	**2,137,214**	**2,137,214**	**0**	**2,137,214**	**0**
ACCUMULATED AMORTIZATION	**-4,416,383**	**-4,416,383**	**0**	**-4,416,383**	**0**
LT INTER-PROPERTY	**913,265**	**913,265**	**0**	**913,265**	**0**
INVESTMENT IN JOINT VENTURES	**2,296,065**	**2,296,065**	**0**	**2,296,065**	**0**
TOTAL NON-CURRENT ASSETS	**66,691,379**	**66,149,645**	**541,734**	**80,638,256**	**-13,946,877**
TOTAL ASSETS	**88,124,226**	**87,446,301**	**677,925**	**95,074,737**	**-6,950,511**
LIABILITIES AND EQUITY					
LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE	**-681,686**	**-757,498**	**75,812**	**737,212**	**-1,418,898**
A/P OTHER	**1,099**	**1,099**	**0**	**1,099**	**0**
ACCRUED FEES	**1,251,237**	**1,109,854**	**141,383**	**1,462,007**	**-210,770**
ACCR WAGES & WITHHOLDINGS					
ACCR WAGES & WITHHOLDINGS	**0**	**0**	**0**	**351,958**	**-351,958**
COMP ABSENCES - CURRENT	**0**	**0**	**0**	**230,346**	**-230,346**
TENANT SECURITY DEPOSIT	**636,461**	**639,324**	**-2,863**	**692,120**	**-55,659**
UNEARNED REVENUE	**990,125**	**998,111**	**-7,987**	**1,214,187**	**-224,062**
CURRENT PORTION OF DEBT	**54,702**	**54,488**	**214**	**53,203**	**1,499**
OTHER CURRENT LIABILITIES	**368,264**	**349,431**	**18,833**	**194,036**	**174,228**
INTER-PROGRAM PAYABLES	**50,000**	**50,000**	**0**	**50,000**	**0**
INTER-FUND DUE TO	**5,919,160**	**5,846,369**	**72,790**	**1,085,808**	**4,833,352**
TOTAL CURRENT LIABILITIES	**8,589,361**	**8,291,179**	**298,182**	**6,071,976**	**2,517,385**
LONG TERM DEBT	**11,294,885**	**10,799,618**	**495,267**	**10,827,275**	**467,610**
FSS ESCROW	**759,387**	**774,916**	**-15,529**	**649,440**	**109,946**
TOTAL LT ACRUED FEES	**913,264**	**913,264**	**0**	**913,264**	**0**
COMP ABSENCES-LONG TERM	**842,433**	**842,433**	**0**	**612,087**	**230,346**
LT INTER-FUND DUE TO	**2,390,435**	**2,390,435**	**0**	**10,390,095**	**-7,999,661**
TOTAL NON-CURRENT LIABILITIES	**16,200,403**	**15,720,665**	**479,738**	**23,392,161**	**-7,191,758**
TOTAL LIABILITIES	**24,789,765**	**24,011,844**	**777,920**	**29,464,137**	**-4,674,372**
DEFERRED INFLOW OF RESOURCES	**1,784,365**	**1,784,365**	**0**	**1,784,365**	**0**
EQUITY					
NET INVEST IN CAPITAL ASSETS	**27,758,697**	**27,758,697**	**0**	**27,758,697**	**0**
RESTRICTED NET ASSETS	**-5,591,846**	**-5,591,846**	**0**	**-5,591,846**	**0**
RETAINED EARNINGS	**29,984,844**	**30,084,838**	**-99,995**	**32,260,982**	**-2,276,139**
UNRESTRICTED NET POSITION	**7,898,802**	**7,898,802**	**0**	**7,898,802**	**0**
RE - EQUITY TRANSFERS	**1,499,600**	**1,499,600**	**0**	**1,499,600**	**0**
TOTAL EQUITY	**61,550,096**	**61,650,091**	**-99,995**	**63,826,235**	**-2,276,139**

TOTAL LIABILITIES AND EQUITY	**88,124,226**	**87,446,301**	**677,925**	**95,074,737**	**-6,950,511**
TOTAL OF ALL	**0**	**0**	**0**	**0**	**0**

New Agency Structure after FMR (7agency2)

Balance Sheet -With YTD

Period = Jul 2026

Book = Accrual ; Tree = ysi_bs

	July 31, 2026	July 1, 2026	Net Change	January 1, 2026	YTD Net Change
CASH - OPERATING	4,910,695	5,501,588	-590,893	3,841,850	1,068,844
CASH - PAYROLL	106,193	101,134	5,058	101,995	4,197
CASH - OTHER	43,122	43,095	27	42,935	187
CASH - OPERATING RIVER CITY	768,819	638,990	129,829	0	768,819
CASH - VENDOR PAYMENTS	-360,444	-901,219	540,774	-226,452	-133,992
CASH - RESTRICTED	1,046,609	1,136,949	-90,340	2,032,780	-986,171
CASH - RESTRICTED MODERNIZATION AND DEV	39,290	39,262	28	39,096	193
REPLACEMENT RESERVE	14,439	14,413	26	14,263	176
CASH - FSS ESCROW	721,875	769,942	-48,067	659,794	62,081
CASH - FSS FORFEITURES	115,736	111,295	4,442	80,576	35,160
OPERATING RESERVE	62,459	62,365	94	61,817	642
OHA HUD OPERATING RESERVE	316,411	312,233	4,178	310,618	5,793
CASH - SECURITY DEPOSIT	594,517	599,520	-5,002	639,320	-44,803
HOMEOWNERSHIP FUNDS	0	0	0	374,728	-374,728
CASH AND CASH EQUIVALENTS	**8,379,720**	**8,429,566**	**-49,846**	**7,973,322**	**406,398**
A/R HUD	52,490	403,096	-350,606	55,344	-2,853
A/R OTHER GOVERNMENTS	2,480,968	2,342,069	138,900	517,319	1,963,649
A/R RAD DEVELOPMENT	86,553	86,548	5	86,526	27
A/R OTHER	-700	-700	0	1,106,924	-1,107,624
A/R EMPLOYEE	-387	20	-407	0	-387
A/R NON DWELLING RENT	43,875	27,544	16,331	11,052	32,822
A/R HOMEOWNERSHIP MORTGAGES	592,700	592,700	0	592,700	0
ALLOWANCE FOR HOME MORTGAGES	-592,700	-592,700	0	-592,700	0
ALLOWANCE FOR DOUBTFUL OTHER A/R	-1,106,924	-1,106,924	0	-1,106,924	0
OTHER ACCOUNTS RECEIVABLE	**1,555,875**	**1,751,653**	**-195,778**	**670,241**	**885,634**
INTER-PROPERTY {COCC}	50,000	50,000	0	0	50,000
INTER-PROPERTY {9EC}	223,090	223,090	0	237,955	-14,864
INTER-PROPERTY {9KCC}	108,204	110,452	-2,248	29,428	78,776
INTER-PROPERTY {9NOAH}	72,402	67,234	5,168	63,311	9,091
INTER-PROPERTY {9FAR}	144,614	139,242	5,373	136,947	7,667
INTER-PROPERTY {9BV}	36,273	37,102	-828	36,178	95
INTER-PROPERTY {9CR1}	53,248	52,034	1,215	55,152	-1,903
INTER-PROPERTY {9CR2}	33,873	34,201	-328	35,282	-1,409
INTER-PROPERTY {VILLAS}	74,916	74,786	130	60,494	14,422
INTER-PROPERTY {HCV}	1,108,638	1,108,638	0	0	1,108,638
INTER-PROPERTY {HCV ADM}	-1,019,797	-1,101,268	81,471	7,370	-1,027,167
INTER-PROPERTY {MOD REHAB}	2,340	2,164	176	3,549	-1,209
INTER-PROPERTY {PUB HSG}	382,344	333,382	48,962	606,742	-224,399
INTER-PROPERTY {EHV}	1,560	0	1,560	-845	2,405
INTER-PROPERTY {RCHC}	19,997	19,263	733	0	19,997
A/R INTER-PROPERTY	**1,291,702**	**1,150,319**	**141,383**	**1,271,563**	**20,140**
ACCOUNTS RECEIVABLE TENANTS	1,826,965	1,774,458	52,507	1,174,472	652,493
ALLOWANCE FOR A/R TENANTS	-1,057,050	-1,057,050	0	-1,057,050	0
A/R - TENANT	**769,916**	**717,408**	**52,507**	**117,422**	**652,493**
P-NOTES OUTSTANDING	696,348	702,064	-5,716	691,216	5,132
ALLOWANCE FOR P-NOTES	-63,430	-63,430	0	-63,430	0
A/R BAYVIEW	279,741	279,741	0	279,741	0
A/R FARNAM	997,626	997,626	0	997,626	0
A/R STREHLOW	734,788	734,788	0	734,788	0
A/R NOAH	45,582	45,582	0	45,582	0
A/R PROMISSORY NOTES	**2,690,656**	**2,696,372**	**-5,716**	**2,685,524**	**5,132**
ST LEASE RECEIVABLE	201,879	201,879	0	201,879	0
ST LEASE RECEIVABLE	201,879	201,879	0	201,879	0
TOTAL INVESTMENTS	**201,879**	**201,879**	**0**	**201,879**	**0**
PREPAID INSURANCE	424,315	538,439	-114,124	-77	424,392

PREPAID SOFTWARE EXP	233,543	9,686	223,857	171,705	61,838
PREPAID MED FSA SEC 125	10,300	8,739	1,561	-1,633	11,933
PREPAID CREDIT CARDS	9,556	0	9,557	2,026	7,530
PREPAID OTHER	15,220	15,220	0	258,701	-243,481
PREPAID ASSETS	**692,935**	**572,085**	**120,850**	**430,722**	**262,213**
INTERFUND BALANCE	-1,700	-1,700	0	0	-1,700
INTER-FUND DUE FROM {COCC}	947,049	947,049	0	0	947,049
INTER-FUND DUE FROM {HIOOPER}	-201,683	-201,683	0	0	-201,683
INTER-FUND DUE FROM {9EC}	449,513	449,513	0	0	449,513
INTER-FUND DUE FROM {9KCC}	118,227	118,232	-5	0	118,227
INTER-FUND DUE FROM {9NOAH}	114,398	114,401	-3	0	114,398
INTER-FUND DUE FROM {9SEC}	20,382	20,382	0	0	20,382
INTER-FUND DUE FROM {9FAR}	192,905	163,762	29,143	0	192,905
INTER-FUND DUE FROM {9BV}	90,258	80,395	9,863	0	90,258
INTER-FUND DUE FROM {9CR1}	9,235	9,237	-2	0	9,235
INTER-FUND DUE FROM {9CR2}	8,703	8,704	-2	0	8,703
INTER-FUND DUE FROM {VILLAS}	117,025	89,091	27,934	0	117,025
INTER-FUND DUE FROM {HCV}	-246,382	-246,382	0	0	-246,382
INTER-FUND DUE FROM {HCV ADM}	-154,635	-154,635	0	0	-154,635
INTER-FUND DUE FROM {HCV MV}	51,294	51,294	0	0	51,294
INTER-FUND DUE FROM {HCV CITY}	91,657	91,657	0	0	91,657
INTER-FUND DUE FROM {MOD REHAB}	18,027	17,853	174	0	18,027
INTER-FUND DUE FROM {FOUND}	110,147	110,147	0	0	110,147
INTER-FUND DUE FROM {PUB HSG}	1,865,515	1,897,675	-32,160	0	1,865,515
INTER-FUND DUE FROM {ROSS GRANT}	332,520	332,519	1	0	332,520
INTER-FUND DUE FROM {FSS GRANT}	-53,124	-53,124	0	309,665	-362,789
INTER-FUND DUE FROM {CNI GRANT}	1,062,189	1,062,189	0	776,143	286,046
INTER-FUND DUE FROM {CNP GRANT}	15,794	15,794	0	0	15,794
INTER-FUND DUE FROM {EHV}	836,351	834,773	1,578	0	836,351
INTER-FUND DUE FROM {6SCDEV18}	46,653	10,371	36,283	0	46,653
INTER-FUND DUE FROM {RCHC}	9,847	9,861	-14	0	9,847
INTER-FUND DUE FROM	**5,850,164**	**5,777,373**	**72,790**	**1,085,808**	**4,764,356**
TOTAL CURRENT ASSETS	**21,432,847**	**21,296,656**	**136,191**	**14,436,481**	**6,996,366**
LAND	8,020,156	8,020,156	0	8,299,143	-278,987
BUILDINGS	136,476,130	136,476,130	0	143,057,781	-6,581,651
BUILDINGS - COMMERCIAL	400,000	400,000	0	400,000	0
BUILDINGS - ACQUISITION	457,700	457,700	0	457,700	0
BUILDINGS - INELIGIBLE	88,112	88,112	0	88,112	0
BUILDING IMPROVEMENTS	41,421,391	40,991,726	429,665	45,207,716	-3,786,325
CONTRACT WORK IN PROCESS	3,513,503	3,325,175	188,328	2,292,071	1,221,432
WIP - PREDEVELOPMENT	805,936	805,936	0	829,036	-23,100
WIP - INS PROCEEDS/REPAIRS	62,364	62,364	0	332,998	-270,634
DWELLING EQUIPMENT	5,694,311	5,646,138	48,173	4,746,871	947,440
SITE IMPROVEMENTS	6,399,294	6,393,964	5,330	5,204,573	1,194,721
OFFICE EQUIPMENT	228,203	228,203	0	228,203	0
MAINTENANCE EQUIPMENT	362,701	362,701	0	349,433	13,268
COMMUNITY SPACE EQUIPMENT	71,734	71,734	0	71,734	0
COMPUTER EQUIPMENT	82,530	82,530	0	82,530	0
AUTOMOTIVE EQUIPMENT	2,447,587	2,447,587	0	2,216,888	230,699
SECURITY EQUIPMENT	1,299,823	1,299,823	0	1,336,001	-36,178
ACCUM DEPR - BUILDINGS	-118,196,628	-117,794,124	-402,503	-120,105,394	1,908,766
ACCUM DEPR - COMMERCIAL	-284,848	-284,848	0	-277,576	-7,273
ACCUM DEPR - BUILDING ACQUISITION	-321,295	-321,295	0	-313,113	-8,182
ACCUM DEPR - INELIGIBLE BLDG	-60,441	-60,441	0	-58,839	-1,602
ACCUM DEPR - BUILDING IMPROVEMENTS	-26,090,572	-25,945,582	-144,990	-27,235,150	1,144,579
ACCUM DEPR - DWELLING EQUIPMENT	-3,392,240	-3,346,588	-45,652	-2,480,634	-911,606
ACCUM DEPR - SITE IMPROVE	-3,959,407	-3,936,525	-22,882	-3,119,547	-839,860
ACCUM DEPR - OFFICE EQUIPMENT	-228,203	-228,203	0	-227,189	-1,014
ACCUM DEPR - MAINTENANCE EQUIPMENT	-341,965	-340,840	-1,124	-288,737	-53,227
ACCUM DEPR - COMMUNITY SPACE EQUIPMENT	-71,734	-71,734	0	-71,734	0

ACCUM DEPR - COMPUTER EQUIPMENT	-68,317	-67,533	-784	-62,550	-5,767
ACCUM DEPR - AUTOMOTIVE EQUIPMENT	-2,301,668	-2,292,993	-8,675	-2,007,939	-293,728
ACCUM DEPR - SECURITY EQUIPMENT	-1,152,275	-1,149,123	-3,152	-1,145,296	-6,979
FIXED ASSETS	**51,361,885**	**51,320,150**	**41,734**	**57,807,094**	**-6,445,209**
N/R BAYVIEW	211,012	211,012	0	211,012	0
N/R FARNAM	553,079	553,079	0	553,079	0
N/R CROWN I	252,986	252,986	0	252,986	0
N/R CROWN II	161,563	161,563	0	161,563	0
N/R NOAH	898,034	898,034	0	898,034	0
N/R STREHLOW	2,154,000	2,154,000	0	2,154,000	0
N/R KEYSTONE	2,350,000	2,350,000	0	2,350,000	0
N/R KENNEDY SQUARE	350,000	350,000	0	350,000	0
N/R KENNEDY EAST	160,000	160,000	0	0	160,000
N/R COCC	500,000	0	500,000	0	500,000
NOTES RECEIVABLE	**7,590,674**	**7,090,674**	**500,000**	**6,930,674**	**660,000**
LT INTER-FUND DUE FROM {COCC}	0	0	0	1,165,200	-1,165,200
LT INTER-FUND DUE FROM {HIOOPER}	124,751	124,751	0	124,751	0
LT INTER-FUND DUE FROM {9EC}	826,853	826,853	0	1,278,760	-451,908
LT INTER-FUND DUE FROM {9KCC}	248,036	248,036	0	414,136	-166,100
LT INTER-FUND DUE FROM {9NOAH}	66,840	66,840	0	188,999	-122,160
LT INTER-FUND DUE FROM {9SEC}	0	0	0	20,714	-20,714
LT INTER-FUND DUE FROM {9FAR}	462,869	462,869	0	576,987	-114,118
LT INTER-FUND DUE FROM {9BV}	241,026	241,026	0	284,615	-43,589
LT INTER-FUND DUE FROM {9CR1}	83,438	83,438	0	92,752	-9,314
LT INTER-FUND DUE FROM {9CR2}	121,904	121,904	0	131,540	-9,636
LT INTER-FUND DUE FROM {VILLAS}	214,719	214,719	0	446,267	-231,548
LT INTER-FUND DUE FROM {HCV}	0	0	0	1,108,438	-1,108,438
LT INTER-FUND DUE FROM {HCV ADM}	0	0	0	721,263	-721,263
LT INTER-FUND DUE FROM {HCV MV}	0	0	0	27,193	-27,193
LT INTER-FUND DUE FROM {HCV CITY}	0	0	0	37,650	-37,650
LT INTER-FUND DUE FROM {MOD REHAB}	0	0	0	2,703	-2,703
LT INTER-FUND DUE FROM {FOUND}	0	0	0	110,540	-110,540
LT INTER-FUND DUE FROM {PUB HSG}	0	0	0	1,639,476	-1,639,476
LT INTER-FUND DUE FROM {ROSS GRANT}	0	0	0	240,266	-240,266
LT INTER-FUND DUE FROM {FSS GRANT}	0	0	0	79,410	-79,410
LT INTER-FUND DUE FROM {CNI GRANT}	0	0	0	986,630	-986,630
LT INTER-FUND DUE FROM {CNP GRANT}	0	0	0	27,548	-27,548
LT INTER-FUND DUE FROM {EHV}	0	0	0	834,901	-834,901
LT INTER-FUND DUE FROM {6SCDEV18}	0	0	0	11,364	-11,364
LT INTER-FUND DUE FROM	**2,390,435**	**2,390,435**	**0**	**10,552,103**	**-8,161,668**
TAX CREDIT FEES	71,655	71,655	0	71,655	0
TAX CREDIT FEES	**71,655**	**71,655**	**0**	**71,655**	**0**
PREPAID LEASE COSTS	4,346,570	4,346,570	0	4,346,570	0
PREPAID LEASE COSTS	**4,346,570**	**4,346,570**	**0**	**4,346,570**	**0**
LEASES RECEIVABLE	2,137,214	2,137,214	0	2,137,214	0
LEASES RECEIVABLE	**2,137,214**	**2,137,214**	**0**	**2,137,214**	**0**
ACCUMULATED AMORTIZATION	-4,416,383	-4,416,383	0	-4,416,383	0
ACCUMULATED AMORTIZATION	**-4,416,383**	**-4,416,383**	**0**	**-4,416,383**	**0**
LT INTER-PROPERTY {9EC}	381,436	381,436	0	381,436	0
LT INTER-PROPERTY {9NOAH}	1	1	0	1	0
LT INTER-PROPERTY {9FAR}	157,612	157,612	0	157,612	0
LT INTER-PROPERTY {9BV}	21,169	21,169	0	21,169	0
LT INTER-PROPERTY {9CR1}	103,467	103,467	0	103,467	0
LT INTER-PROPERTY {9CR2}	22,326	22,326	0	22,326	0
LT INTER-PROPERTY {VILLAS}	227,254	227,254	0	227,254	0
LT INTER-PROPERTY	**913,265**	**913,265**	**0**	**913,265**	**0**
INVESTMENT IN JOINT VENTURES	2,296,065	2,296,065	0	2,296,065	0
INVESTMENT IN JOINT VENTURES	**2,296,065**	**2,296,065**	**0**	**2,296,065**	**0**
TOTAL NON-CURRENT ASSETS	**66,691,379**	**66,149,645**	**541,734**	**80,638,256**	**-13,946,877**

TOTAL ASSETS	**88,124,226**	**87,446,301**	**677,925**	**95,074,737**	**-6,950,511**
LIABILITIES AND EQUITY					
LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE	-681,686	-757,498	75,812	737,212	-1,418,898
ACCOUNTS PAYABLE	**-681,686**	**-757,498**	**75,812**	**737,212**	**-1,418,898**
A/P OTHER	1,099	1,099	0	1,099	0
A/P OTHER	**1,099**	**1,099**	**0**	**1,099**	**0**
ACCRUED MGMT & BKKPING FEE	272,594	188,048	84,547	82,312	190,282
ACCRUED FRONT-LINE FEES	977,311	920,335	56,976	1,379,894	-402,583
ACCRUED FEES	1,332	1,472	-140	-199	1,530
ACCRUED FEES	**1,251,237**	**1,109,854**	**141,383**	**1,462,007**	**-210,770**
ACCR WAGES & WITHHOLDINGS					
ACCRUED PAYROLL	0	0	0	324,269	-324,269
ACCRUED PAYROLL TAXES	0	0	0	27,722	-27,722
EE INS DEDUCTIONS	0	0	0	-33	33
ACCR WAGES & WITHHOLDINGS	**0**	**0**	**0**	**351,958**	**-351,958**
COMPENSATED ABSENCES - CURRENT	0	0	0	230,346	-230,346
COMP ABSENCES - CURRENT	**0**	**0**	**0**	**230,346**	**-230,346**
TENANT SECURITY DEPOSIT	582,532	585,587	-3,055	601,644	-19,112
PET DEPOSIT	9,630	9,630	0	11,430	-1,800
DEPOSIT REFUND ACCOUNT	44,300	44,108	192	79,046	-34,746
TENANT SECURITY DEPOSIT	**636,461**	**639,324**	**-2,863**	**692,120**	**-55,659**
Deferred Revenue - HUD Funds	746,581	746,581	0	980,398	-233,817
TENANT PREPAID RENT	242,744	250,731	-7,987	233,539	9,205
NO UNIT HOLDING ACCT	800	800	0	250	550
UNEARNED REVENUE	**990,125**	**998,111**	**-7,987**	**1,214,187**	**-224,062**
MORTGAGE PAYABLE - CURRENT	54,702	54,488	214	53,203	1,499
CURRENT PORTION OF DEBT	**54,702**	**54,488**	**214**	**53,203**	**1,499**
CONTRACT RETAINAGE	368,264	349,431	18,833	194,036	174,228
OTHER CURRENT LIABILITIES	**368,264**	**349,431**	**18,833**	**194,036**	**174,228**
A/P OTHER - INTER-PROPERTY	50,000	50,000	0	50,000	0
INTER-PROGRAM PAYABLES	**50,000**	**50,000**	**0**	**50,000**	**0**
INTER-FUND DUE TO {COCC}	1,744,414	1,743,808	606	1,085,808	658,607
INTER-FUND DUE TO {HIOOPER}	90,777	90,777	0	0	90,777
INTER-FUND DUE TO {9EC}	428,645	370,563	58,082	0	428,645
INTER-FUND DUE TO {9KCC}	67,631	67,631	0	0	67,631
INTER-FUND DUE TO {9NOAH}	75,698	75,698	0	0	75,698
INTER-FUND DUE TO {9SEC}	345,280	345,280	0	0	345,280
INTER-FUND DUE TO {9FAR}	15,020	20,944	-5,924	0	15,020
INTER-FUND DUE TO {9BV}	10,214	12,088	-1,875	0	10,214
INTER-FUND DUE TO {9CR1}	12,494	12,494	0	0	12,494
INTER-FUND DUE TO {9CR2}	13,992	13,992	0	0	13,992
INTER-FUND DUE TO {VILLAS}	-49,174	-45,903	-3,271	0	-49,174
INTER-FUND DUE TO {HCV}	79,007	79,007	0	0	79,007
INTER-FUND DUE TO {HCV ADM}	237,696	235,944	1,752	0	237,696
INTER-FUND DUE TO {PUB HSG}	1,367,868	1,331,585	36,283	0	1,367,868
INTER-FUND DUE TO {ROSS GRANT}	11,630	11,630	0	0	11,630
INTER-FUND DUE TO {FSS GRANT}	39,357	39,357	0	0	39,357
INTERFUND DUE TO {CNI GRANT}	441	441	0	0	441
INTER-FUND DUE TO {EHV}	914	914	0	0	914
INTER-FUND DUE TO {6SCDEV18}	1,427,259	1,427,259	0	0	1,427,259
INTER-FUND DUE TO {RCHC}	0	12,863	-12,863	0	0
INTER-FUND DUE TO	**5,919,160**	**5,846,369**	**72,790**	**1,085,808**	**4,833,352**
TOTAL CURRENT LIABILITIES	**8,589,361**	**8,291,179**	**298,182**	**6,071,976**	**2,517,385**
MORTGAGE PAYABLE	1,353,472	1,358,205	-4,733	1,385,861	-32,390
LOAN PAYABLE CDBG	502,000	502,000	0	502,000	0
LOAN PAYABLE OHA	5,977,676	5,977,676	0	5,977,676	0
EC, NOAH, BAYVIEW, FARNAM LOANS	2,057,738	2,057,738	0	2,057,738	0

Notes Payable RCHC	500,000	0	500,000	0	500,000
MORTGAGE-HIO	594,000	594,000	0	594,000	0
MORTGAGE-OHA # 2	310,000	310,000	0	310,000	0
LONG TERM DEBT	**11,294,885**	**10,799,618**	**495,267**	**10,827,275**	**467,610**
FSS ESCROW	759,387	774,916	-15,529	649,440	109,946
FSS ESCROW	**759,387**	**774,916**	**-15,529**	**649,440**	**109,946**
LT ACCRUED MGMT & BKKPING FEE	792,272	792,272	0	792,272	0
LT ACCRUED FRONT-LINE FEES	100,534	100,534	0	100,534	0
LT ACCRUED FEES	20,458	20,458	0	20,458	0
TOTAL LT ACRUED FEES	**913,264**	**913,264**	**0**	**913,264**	**0**
COMPENSATED ABSENCES-LONG TERM	842,433	842,433	0	612,087	230,346
COMP ABSENCES-LONG TERM	**842,433**	**842,433**	**0**	**612,087**	**230,346**
LT INTER-FUND DUE TO {COCC}	643,500	643,500	0	2,516,070	-1,872,570
LT INTER-FUND DUE TO {HIOOPER}	420,241	420,241	0	712,700	-292,459
LT INTER-FUND DUE TO {9EC}	17,565	17,565	0	84,314	-66,749
LT INTER-FUND DUE TO {9KCC}	228,907	228,907	0	297,806	-68,899
LT INTER-FUND DUE TO {9NOAH}	176,615	176,615	0	213,794	-37,179
LT INTER-FUND DUE TO {9SEC}	0	0	0	330,288	-330,288
LT INTER-FUND DUE TO {9FAR}	37,389	37,389	0	52,409	-15,020
LT INTER-FUND DUE TO {9BV}	100,215	100,215	0	111,769	-11,553
LT INTER-FUND DUE TO {9CR1}	257,391	257,391	0	269,884	-12,494
LT INTER-FUND DUE TO {9CR2}	92,233	92,233	0	107,093	-14,859
LT INTER-FUND DUE TO {VILLAS}	416,378	416,378	0	593,791	-177,413
LT INTER-FUND DUE TO {HCV}	0	0	0	256,182	-256,182
LT INTER-FUND DUE TO {HCV ADM}	0	0	0	2,182,660	-2,182,660
LT INTER-FUND DUE TO {HCV MV}	0	0	0	5,409	-5,409
LT INTER-FUND DUE TO {PUB HSG}	0	0	0	1,351,317	-1,351,317
LT INTER-FUND DUE TO {ROSS GRANT}	0	0	0	20,482	-20,482
LT INTER-FUND DUE TO {FSS GRANT}	0	0	0	196,232	-196,232
LT INTER-FUND DUE TO {CNI GRANT}	0	0	0	222,810	-222,810
LT INTER-FUND DUE TO {CNP GRANT}	0	0	0	11,754	-11,754
LT INTER-FUND DUE TO {EHV}	0	0	0	2,475	-2,475
LT INTER-FUND DUE TO {6SCDEV18}	0	0	0	850,855	-850,855
LT INTER-FUND DUE TO	**2,390,435**	**2,390,435**	**0**	**10,390,095**	**-7,999,661**
TOTAL NON-CURRENT LIABILITIES	**16,200,403**	**15,720,665**	**479,738**	**23,392,161**	**-7,191,758**
TOTAL LIABILITIES	**24,789,765**	**24,011,844**	**777,920**	**29,464,137**	**-4,674,372**
DEFERRED INFLOW OF RESOURCES	1,784,365	1,784,365	0	1,784,365	0
DEFERRED INFLOW OF RESOURCES	**1,784,365**	**1,784,365**	**0**	**1,784,365**	**0**
EQUITY					
CAPITAL ACCOUNT GENERAL PARTNER	1,600,653	1,600,653	0	1,600,653	0
CAPITAL ACCOUNT LIMITED PARTNER	1,808,269	1,808,269	0	1,808,269	0
CAPITAL ACCOUNT SPECIAL LIMITED PARTNER	30	30	0	30	0
NET INVESTED IN CAPITAL ASSETS	24,349,745	24,349,745	0	24,349,745	0
NET INVEST IN CAPITAL ASSETS	**27,758,697**	**27,758,697**	**0**	**27,758,697**	**0**
RESTRICTED NET ASSETS	-5,591,846	-5,591,846	0	-5,591,846	0
RESTRICTED NET ASSETS	**-5,591,846**	**-5,591,846**	**0**	**-5,591,846**	**0**
RETAINED EARNINGS	29,984,844	30,084,838	-99,995	32,260,982	-2,276,139
RETAINED EARNINGS	**29,984,844**	**30,084,838**	**-99,995**	**32,260,982**	**-2,276,139**
CONTRA EQUITY	6,821,512	6,821,512	0	6,821,512	0
UNRESTRICTED NET ASSETS	14,720,314	14,720,314	0	14,720,314	0
UNRESTRICTED NET POSITION	**7,898,802**	**7,898,802**	**0**	**7,898,802**	**0**
RE - EQUITY TRANSFERS	1,499,600	1,499,600	0	1,499,600	0
RE - EQUITY TRANSFERS	**1,499,600**	**1,499,600**	**0**	**1,499,600**	**0**
TOTAL EQUITY	**61,550,096**	**61,650,091**	**-99,995**	**63,826,235**	**-2,276,139**
TOTAL LIABILITIES AND EQUITY	**88,124,226**	**87,446,301**	**677,925**	**95,074,737**	**-6,950,511**
TOTAL OF ALL	**0**	**0**	**0**	**0**	**0**

Public Housing (7pubhsg)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	554,007	527,471	26,536	624,670	-70,663	3,867,477	3,692,294	175,183	4,302,480	-435,003
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	571,298	567,049	4,249	704,756	-133,458	3,924,786	3,969,343	-44,557	4,608,031	-683,245
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	0	1,620	-1,620	1,861	-1,860	3	11,342	-11,339	11,299	-11,296
TOTAL NON-CASH INT INCOME {HIO}	0	11,828	-11,828	0	0	133,113	82,794	50,319	143,710	-10,598
INT INCOME - RESTRICT FUNDS	28	393	-365	413	-384	1,078	2,753	-1,675	2,814	-1,736
OTHER INCOME										
TOTAL OTHER INCOME	96,540	26,222	70,318	28,500	68,040	502,168	183,555	318,613	456,154	46,014
TOTAL REVENUES	1,221,874	1,134,583	87,291	1,360,200	-138,326	8,428,625	7,942,080	486,545	9,524,489	-1,095,864
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	304,258	294,461	-9,797	319,629	15,371	1,982,583	2,061,226	78,643	2,316,086	333,503
RESIDENT SERVICE EXPENSES	194,574	172,910	-21,664	163,479	-31,094	1,240,968	1,210,368	-30,600	1,214,803	-26,165
UTILITY EXPENSES	173,526	173,932	406	69,696	-103,829	1,412,714	1,217,521	-195,193	1,621,435	208,721
MAINTENANCE EXPENSES	455,775	536,654	80,879	703,340	247,565	3,617,211	3,756,578	139,367	4,332,266	715,055
PROTECT SERVICE EXPENSES	167,446	119,086	-48,360	120,957	-46,489	1,106,964	833,599	-273,365	616,454	-490,510
GENERAL EXPENSES	115,902	118,177	2,275	148,523	32,620	739,823	827,239	87,415	1,094,324	354,501
OTHER EXPENSES	0	0	0	0	0	4,102	0	-4,102	0	-4,102
TOTAL OPERATING EXPENSES	1,411,480	1,415,219	3,738	1,525,624	114,143	10,104,365	9,906,530	-197,834	11,195,368	1,091,003
NON-OPERATING EXPENSES										
HAP EXPENSES	13,904	12,685	-1,219	14,294	390	101,709	88,797	-12,912	106,337	4,628
DEPR & AMORT EXPENSE	507,210	529,723	22,512	-2,074,466	-2,581,677	3,623,021	3,708,058	85,037	-586,041	-4,209,062
TOTAL NON-OPERATING EXPENSES	521,114	542,408	21,294	-2,060,172	-2,581,287	3,724,730	3,796,855	72,125	-479,704	-4,204,434
TOTAL EXPENSES	1,932,594	1,957,626	25,032	-534,549	-2,467,143	13,829,094	13,703,385	-125,709	10,715,664	-3,113,430
TOTAL TRANSFERS	67,492	-102,305	-169,797	32,660	-34,832	-1,536,326	-716,138	820,187	-1,532,460	3,865
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME (LOSS)	-778,213	-720,738	-57,474	1,862,089	-2,640,302	-3,864,144	-5,045,167	1,181,023	341,286	-4,205,429
ADJUSTED NET OPERATING INCOME (LOSS)	-271,003	-191,015	-79,988	-212,377	-58,626	-241,123	-1,337,109	1,095,986	-244,755	3,632

Property = 7pubhsg 7cap

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	554,007	527,471	26,536	624,670	-70,663	3,867,477	3,692,294	175,183	4,302,480	-435,003
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	906,889	585,799	321,090	1,450,983	-544,093	9,646,990	4,100,593	5,546,397	11,280,814	-1,633,824
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	0	1,620	-1,620	1,861	-1,860	3	11,342	-11,339	11,299	-11,296
TOTAL NON-CASH INT INCOME {HIO}	0	11,828	-11,828	0	0	133,113	82,794	50,319	143,710	-10,598
INT INCOME - RESTRICT FUNDS	28	393	-365	413	-384	1,078	2,753	-1,675	2,814	-1,736
OTHER INCOME										
TOTAL OTHER INCOME	96,540	26,222	70,318	28,500	68,040	502,168	183,555	318,613	456,154	46,014
TOTAL REVENUES	1,557,465	1,153,333	404,132	2,106,427	-548,962	14,150,829	8,073,330	6,077,499	16,197,272	-2,046,443
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	314,208	294,461	-19,747	341,347	27,139	3,154,791	2,061,226	-1,093,566	2,347,329	-807,463
RESIDENT SERVICE EXPENSES	194,574	172,910	-21,664	163,568	-31,005	1,245,246	1,210,368	-34,878	1,218,563	-26,683
UTILITY EXPENSES	173,526	173,932	406	69,696	-103,829	1,412,714	1,217,521	-195,193	1,621,435	208,721
MAINTENANCE EXPENSES	174,778	555,404	380,626	881,406	706,628	4,303,017	3,887,828	-415,189	5,725,611	1,422,594
PROTECT SERVICE EXPENSES	167,446	119,086	-48,360	134,328	-33,118	1,109,952	833,599	-276,353	687,678	-422,274
GENERAL EXPENSES	115,902	118,177	2,275	148,523	32,620	739,823	827,239	87,415	1,094,324	354,501
OTHER EXPENSES	0	0	0	0	0	4,102	0	-4,102	0	-4,102
TOTAL OPERATING EXPENSES	1,140,433	1,433,969	293,535	1,738,869	598,435	11,969,646	10,037,780	-1,931,865	12,694,940	725,295
NON-OPERATING EXPENSES										
HAP EXPENSES	13,904	12,685	-1,219	14,294	390	104,964	88,797	-16,167	106,337	1,373
DEPR & AMORT EXPENSE	511,841	529,723	17,882	-2,074,466	-2,586,307	3,627,651	3,708,058	80,406	-586,041	-4,213,692
TOTAL NON-OPERATING EXPENSES	525,745	542,408	16,663	-2,060,172	-2,585,917	3,732,615	3,796,855	64,240	-479,704	-4,212,319
TOTAL EXPENSES	1,666,178	1,976,376	310,198	-321,304	-1,987,482	15,702,261	13,834,635	-1,867,626	12,215,237	-3,487,024
TOTAL TRANSFERS	67,492	-102,305	-169,797	32,660	-34,832	391,290	-716,138	-1,107,429	1,106,065	714,774
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME (LOSS)	-176,205	-720,738	544,533	2,395,071	-2,571,276	-1,942,723	-5,045,167	3,102,444	2,875,971	-4,818,694
ADJUSTED NET OPERATING INCOME (LOSS)	335,636	-191,015	526,651	320,605	15,031	1,684,928	-1,337,109	3,022,037	2,289,930	-605,002

HIO, Inc. (7hioinc)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	87,160	78,513	8,647	115,510	-28,350	705,091	549,588	155,503	719,757	-14,666
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	0	0	0	0	0	0	0	0	0	0
INT INCOME - RESTRICT FUNDS	4,298	385	3,913	124	4,174	6,611	2,694	3,917	4,157	2,454
OTHER INCOME										
TOTAL OTHER INCOME	12,058	13,685	-1,627	13,671	-1,613	-1,648,358	95,797	-1,744,155	93,434	-1,741,793
TOTAL REVENUES	103,516	92,583	10,933	129,305	-25,788	-936,656	648,079	-1,584,735	817,348	-1,754,004
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	30,438	25,565	-4,873	35,977	5,539	175,028	178,958	3,929	187,142	12,113
RESIDENT SERVICE EXPENSES	15,881	13,730	-2,151	14,267	-1,614	120,677	96,107	-24,569	107,932	-12,745
UTILITY EXPENSES	9,453	11,292	1,839	14,527	5,074	112,073	79,041	-33,031	124,830	12,757
MAINTENANCE EXPENSES	68,959	73,952	4,993	79,481	10,522	597,742	517,664	-80,078	675,249	77,507
PROTECT SERVICE EXPENSES	17,438	4,811	-12,627	12,129	-5,309	99,681	33,674	-66,007	172,332	72,651
GENERAL EXPENSES	52,112	28,254	-23,858	16,572	-35,539	179,455	197,775	18,321	200,479	21,025
OTHER EXPENSES	0	0	0	0	0	0	0	0	4,284	4,284
TOTAL OPERATING EXPENSES	194,281	157,603	-36,678	172,953	-21,327	1,284,655	1,103,220	-181,435	1,472,247	187,591
NON-OPERATING EXPENSES										
HAP EXPENSES	2,711	4,683	1,972	5,715	3,004	37,547	32,784	-4,763	40,724	3,177
DEPR & AMORT EXPENSE	66,659	72,763	6,105	-270,422	-337,081	577,761	509,344	-68,417	100,904	-476,857
TOTAL NON-OPERATING EXPENSES	69,370	77,447	8,077	-264,707	-334,077	615,308	542,127	-73,181	141,628	-473,680
TOTAL EXPENSES	263,650	235,050	-28,601	-91,754	-355,404	1,899,963	1,645,347	-254,616	1,613,874	-286,089
TOTAL TRANSFERS	-67,492	-38,320	29,172	-32,660	34,832	-391,290	-268,237	123,053	-352,201	39,090
TOTAL PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	1,000	1,000
NET OPERATING INCOME (LOSS)	-92,642	-104,147	11,505	253,719	-346,361	-2,445,330	-729,031	-1,716,298	-445,326	-2,000,004
ADJUSTED NET OPERATING INCOME (LOSS)	-25,983	-31,384	5,401	-16,703	-9,280	-1,867,569	-219,687	-1,647,882	-344,422	-1,523,147

Sec 8 HCV - After FMR 2016 (7fdshcv)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	0	26	-26	0	0	-826	180	-1,006	150	-976
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	4,609,855	4,200,287	409,568	4,051,128	558,727	32,452,326	29,402,006	3,050,320	30,034,424	2,417,902
TOTAL FEE REVENUE										
TOTAL FEE REVENUE	1,332	585	746	4,508	-3,177	24,178	4,097	20,081	7,918	16,260
OTHER INCOME										
TOTAL OTHER INCOME	1,502	0	1,502	0	1,502	4,922	0	4,922	0	4,922
TOTAL REVENUES	4,612,688	4,200,898	411,791	4,055,636	557,052	32,480,600	29,406,283	3,074,317	30,042,492	2,438,108
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	285,550	287,534	1,984	250,741	-34,809	1,989,528	2,012,741	23,213	1,811,866	-177,662
RESIDENT SERVICE EXPENSES	1,200	0	-1,200	2,745	1,545	6,162	0	-6,162	1,915	-4,247
MAINTENANCE EXPENSES	28,342	36,437	8,095	23,765	-4,577	192,051	255,061	63,010	167,970	-24,081
GENERAL EXPENSES	2,010	4,932	2,922	-587	-2,597	12,714	34,523	21,809	27,073	14,359
TOTAL OPERATING EXPENSES	317,103	328,904	11,801	276,665	-40,438	2,200,455	2,302,326	101,871	2,008,825	-191,631
NON-OPERATING EXPENSES										
HAP EXPENSES	4,227,983	3,886,116	-341,867	4,003,106	-224,877	29,244,223	27,202,810	-2,041,413	27,029,123	-2,215,100
DEPR & AMORT EXPENSE	978	995	16	-5,388	-6,366	6,946	6,962	16	-4,809	-11,755
TOTAL NON-OPERATING EXPENSES	4,228,961	3,887,110	-341,851	3,997,718	-231,243	29,251,169	27,209,772	-2,041,397	27,024,314	-2,226,855
TOTAL EXPENSES	4,546,064	4,216,014	-330,050	4,274,383	-271,681	31,451,624	29,512,098	-1,939,526	29,033,138	-2,418,486
NET OPERATING INCOME (LOSS)	66,625	-15,116	81,741	-218,746	285,371	1,028,976	-105,815	1,134,790	1,009,353	19,622
ADJUSTED NET OPERATING INCOME (LOSS)	67,603	-14,121	81,724	-224,134	291,737	1,035,922	-98,853	1,134,775	1,004,544	31,378

River City Management (7river)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	174,326	84,800	89,526	0	174,326	1,146,154	593,600	552,555	0	1,146,154
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	713,661	267,271	446,390	0	713,661	789,367	1,870,899	-1,081,532	0	789,367
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	1,789	921	868	1,912	-123	10,417	6,447	3,970	7,277	3,140
TOTAL NON-CASH INT INCOME {HIO}	0	1,214	-1,214	0	0	0	8,497	-8,497	0	0
INT INCOME - RESTRICT FUNDS	0	19	-19	0	0	0	133	-133	0	0
OTHER INCOME										
TOTAL OTHER INCOME	410,363	111,448	298,915	98,539	311,824	578,903	780,136	-201,233	994,823	-415,920
TOTAL PASSTHROUGH RAD REVENUE	12	0	12	0	12	74	0	74	0	74
TOTAL REVENUES	1,300,151	465,673	834,478	100,451	1,199,700	2,524,916	3,259,711	-734,796	1,002,100	1,522,815
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	12,421	28,563	16,142	13,921	1,501	130,435	199,940	69,505	132,638	2,203
RESIDENT SERVICE EXPENSES	11,691	22,884	11,193	0	-11,691	54,506	160,186	105,679	2,401	-52,105
UTILITY EXPENSES	43	16,760	16,717	0	-43	552	117,319	116,768	0	-552
MAINTENANCE EXPENSES	13,741	79,263	65,522	0	-13,741	97,904	554,839	456,935	0	-97,904
PROTECT SERVICE EXPENSES	409	5,141	4,732	0	-409	31,638	35,986	4,348	0	-31,638
GENERAL EXPENSES	13,303	16,107	2,804	832	-12,472	17,914	112,747	94,833	20,806	2,892
TOTAL OPERATING EXPENSES	51,607	168,717	117,109	14,753	-36,854	332,949	1,181,017	848,068	155,845	-177,104
NON-OPERATING EXPENSES										
HAP EXPENSES	233,489	0	-233,489	0	-233,489	1,597,253	0	-1,597,253	0	-1,597,253
DEPR & AMORT EXPENSE	37,242	63,306	26,064	0	-37,242	271,020	443,141	172,121	0	-271,020
PASSTHROUGH RAD EXPENSE	7	0	-7	0	-7	48	0	-48	0	-48
TOTAL NON-OPERATING EXPENSES	270,738	63,306	-207,432	0	-270,738	1,868,320	443,141	-1,425,180	0	-1,868,320
TOTAL EXPENSES	322,345	232,022	-90,323	14,753	-307,592	2,201,270	1,624,157	-577,112	155,845	-2,045,425
NET OPERATING INCOME (LOSS)	977,806	233,651	744,155	85,698	892,108	323,646	1,635,554	-1,311,908	846,255	-522,609
ADJUSTED NET OPERATING INCOME (LOSS)	1,015,048	296,957	718,091	85,698	929,350	594,666	2,078,695	-1,484,029	846,255	-251,589

River City SCNE (7rcscne)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	174,326	51,137	123,189	0	174,326	1,146,154	357,956	788,198	0	1,146,154
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	0	152,875	-152,875	0	0	0	1,070,126	-1,070,126	0	0
TOTAL NON-CASH INT INCOME {HIO}	0	1,214	-1,214	0	0	0	8,497	-8,497	0	0
INT INCOME - RESTRICT FUNDS	0	19	-19	0	0	0	133	-133	0	0
OTHER INCOME										
TOTAL OTHER INCOME	0	0	0	0	0	44,271	0	44,271	0	44,271
TOTAL REVENUES	174,326	205,244	-30,918	0	174,326	1,190,426	1,436,712	-246,286	0	1,190,426
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	12,139	10,655	-1,484	0	-12,139	80,706	74,586	-6,120	0	-80,706
RESIDENT SERVICE EXPENSES	11,691	9,834	-1,857	0	-11,691	53,707	68,838	15,131	0	-53,707
UTILITY EXPENSES	43	2,840	2,798	0	-43	552	19,883	19,331	0	-552
MAINTENANCE EXPENSES	19,871	43,544	23,673	0	-19,871	44,563	304,806	260,243	0	-44,563
PROTECT SERVICE EXPENSES	409	1,156	748	0	-409	1,856	8,094	6,239	0	-1,856
GENERAL EXPENSES	12,413	7,560	-4,853	0	-12,413	12,670	52,919	40,250	18,763	6,094
TOTAL OPERATING EXPENSES	56,566	75,590	19,024	0	-56,566	194,053	529,127	335,074	18,763	-175,289
NON-OPERATING EXPENSES										
HAP EXPENSES	135,884	0	-135,884	0	-135,884	825,712	0	-825,712	0	-825,712
DEPR & AMORT EXPENSE	7,509	32,901	25,391	0	-7,509	59,599	230,306	170,707	0	-59,599
TOTAL NON-OPERATING EXPENSES	143,393	32,901	-110,493	0	-143,393	885,311	230,306	-655,005	0	-885,311
TOTAL EXPENSES	199,959	108,490	-91,469	0	-199,959	1,079,364	759,433	-319,931	18,763	-1,060,601
NET OPERATING INCOME (LOSS)	-25,633	96,754	-122,387	0	-25,633	111,304	677,279	-565,975	-18,763	130,067
ADJUSTED NET OPERATING INCOME (LOSS)	-18,124	129,655	-147,779	0	-18,124	170,903	907,585	-736,682	-18,763	189,666

River City Pine Tower (7rcpt)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
TENANT REVENUES										
TOTAL TENANT REVENUES	0	33,663	-33,663	0	0	0	235,643	-235,643	0	0
HUD GRANTS AND SUBSIDY										
TOTAL HUD GRANTS AND SUBSIDY	713,661	114,396	599,265	0	713,661	789,367	800,773	-11,406	0	789,367
OTHER INCOME										
TOTAL OTHER INCOME	122	3,115	-2,993	0	122	4,027	21,803	-17,776	0	4,027
TOTAL PASSTHROUGH RAD REVENUE	12	0	12	0	12	74	0	74	0	74
TOTAL REVENUES	713,795	151,174	562,620	0	713,795	793,468	1,058,219	-264,751	0	793,468
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	36	16,039	16,003	0	-36	1,717	112,272	110,555	0	-1,717
RESIDENT SERVICE EXPENSES	0	12,637	12,637	0	0	0	88,462	88,462	0	0
UTILITY EXPENSES	0	13,920	13,920	0	0	0	97,436	97,436	0	0
MAINTENANCE EXPENSES	-6,130	35,719	41,849	0	6,130	52,981	250,033	197,052	0	-52,981
PROTECT SERVICE EXPENSES	0	3,985	3,985	0	0	0	27,892	27,892	0	0
GENERAL EXPENSES	0	8,330	8,330	0	0	0	58,308	58,308	0	0
TOTAL OPERATING EXPENSES	-6,094	90,629	96,723	0	6,094	54,698	634,403	579,705	0	-54,698
NON-OPERATING EXPENSES										
HAP EXPENSES	97,605	0	-97,605	0	-97,605	771,541	0	-771,541	0	-771,541
DEPR & AMORT EXPENSE	29,733	30,405	672	0	-29,733	211,420	212,835	1,414	0	-211,420
PASSTHROUGH RAD EXPENSE	7	0	-7	0	-7	48	0	-48	0	-48
TOTAL NON-OPERATING EXPENSES	127,345	30,405	-96,940	0	-127,345	983,009	212,835	-770,174	0	-983,009
TOTAL EXPENSES	121,250	121,034	-216	0	-121,250	1,037,707	847,238	-190,470	0	-1,037,707
NET OPERATING INCOME (LOSS)	592,545	30,140	562,404	0	592,545	-244,239	210,982	-455,221	0	-244,239
ADJUSTED NET OPERATING INCOME (LOSS)	622,278	60,545	561,733	0	622,278	-32,819	423,817	-456,636	0	-32,819

River City Housing Connections (4rchc)

Budget Comparison

Period = Jul 2026

Book = Accrual ; Tree = ysi_is

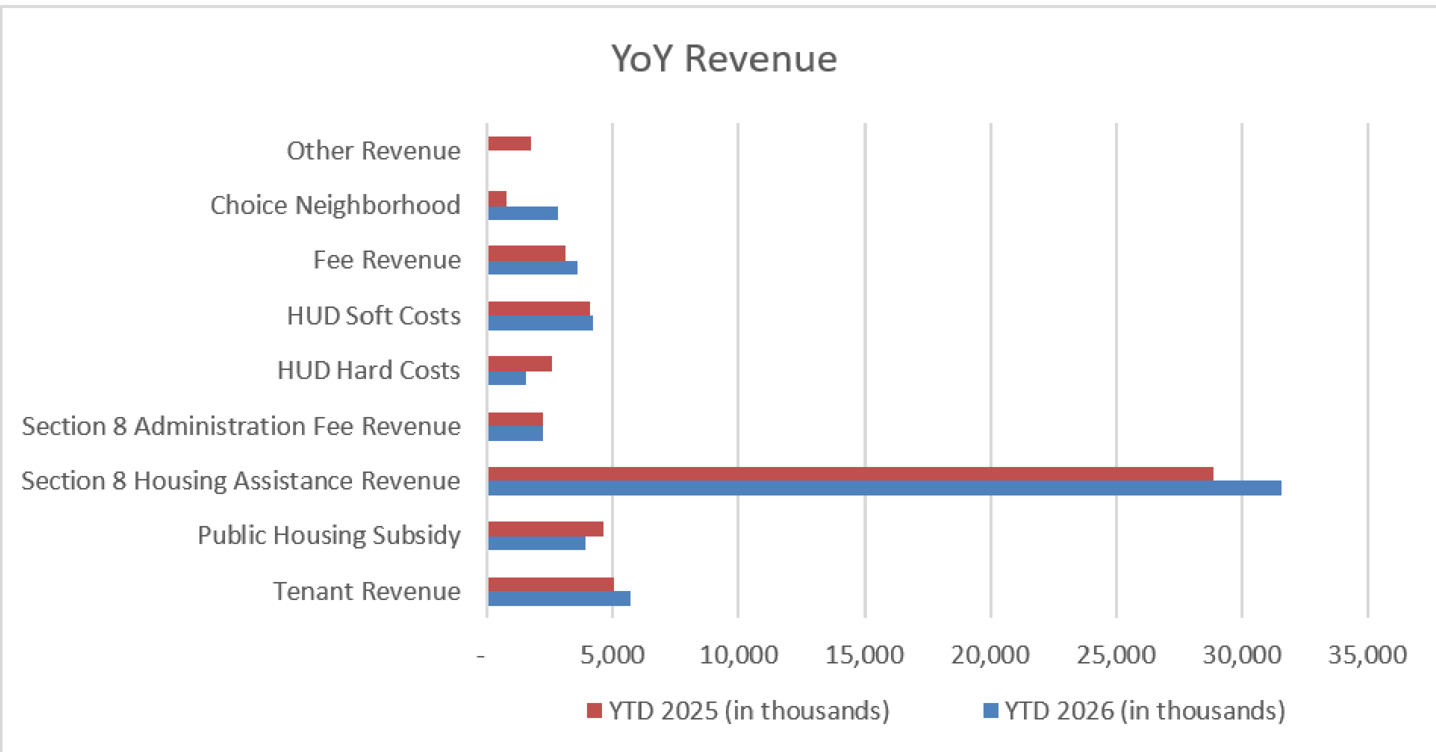
	July 2026	Budget	Variance	July 2025	Change	2026 YTD	Budget	Variance	2025 YTD	Change
REVENUES										
INVESTMENT INCOME										
TOTAL INTEREST INCOME - MAIN	1,789	921	868	1,912	-123	10,417	6,447	3,970	7,277	3,140
OTHER INCOME										
TOTAL OTHER INCOME	410,241	108,333	301,908	98,539	311,702	530,605	758,333	-227,729	994,823	-464,218
TOTAL REVENUES	412,030	109,254	302,776	100,451	311,579	541,022	764,781	-223,759	1,002,100	-461,079
EXPENSES										
OPERATING EXPENSES										
ADMINISTRATIVE EXPENSES	246	1,869	1,623	13,921	13,675	48,012	13,082	-34,930	132,638	84,626
RESIDENT SERVICE EXPENSES	0	412	412	0	0	799	2,885	2,086	2,401	1,602
MAINTENANCE EXPENSES	0	0	0	0	0	360	0	-360	0	-360
PROTECT SERVICE EXPENSES	0	0	0	0	0	29,783	0	-29,783	0	-29,783
GENERAL EXPENSES	890	217	-673	832	-58	5,244	1,520	-3,725	2,043	-3,201
TOTAL OPERATING EXPENSES	1,136	2,498	1,362	14,753	13,617	84,198	17,487	-66,711	137,082	52,884
TOTAL EXPENSES	1,136	2,498	1,362	14,753	13,617	84,198	17,487	-66,711	137,082	52,884
NET OPERATING INCOME (LOSS)	410,894	106,756	304,138	85,698	325,196	456,581	747,293	-290,712	865,018	-408,437
ADJUSTED NET OPERATING INCOME (LOSS)	410,894	106,756	304,138	85,698	325,196	456,581	747,293	-290,712	865,018	-408,437

July 31, 2026 Year-To-Date Financial Recap

CYTD:PTYD Performance

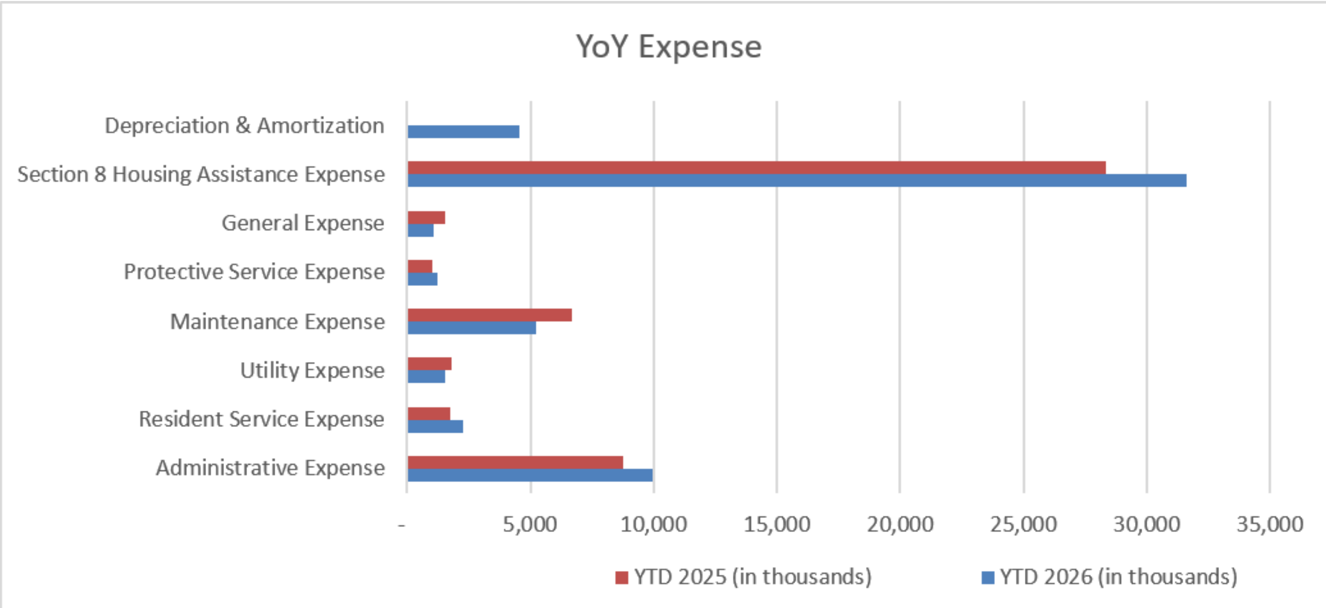
TOTAL AGENCY	YTD 2026	YTD 2025	Increase / (Decrease) over 2025
Total Revenue	55,258,147	53,031,446	4%
Total Expense, excluding Depreciation	52,962,767	49,843,065	6%
Adjusted Net Operating Income / (Loss) *	**2,295,380**	**3,188,381**	
** 2026 YTD Adjusted Net Operating Income includes a ~$1.8M loss on sale of Chambers Court*			

2026 & 2025 Revenue Trends



July 31, 2026 Year-To-Date Financial Recap

2026 & 2025 Expense Trends



Section 8 Housing Choice Voucher Program

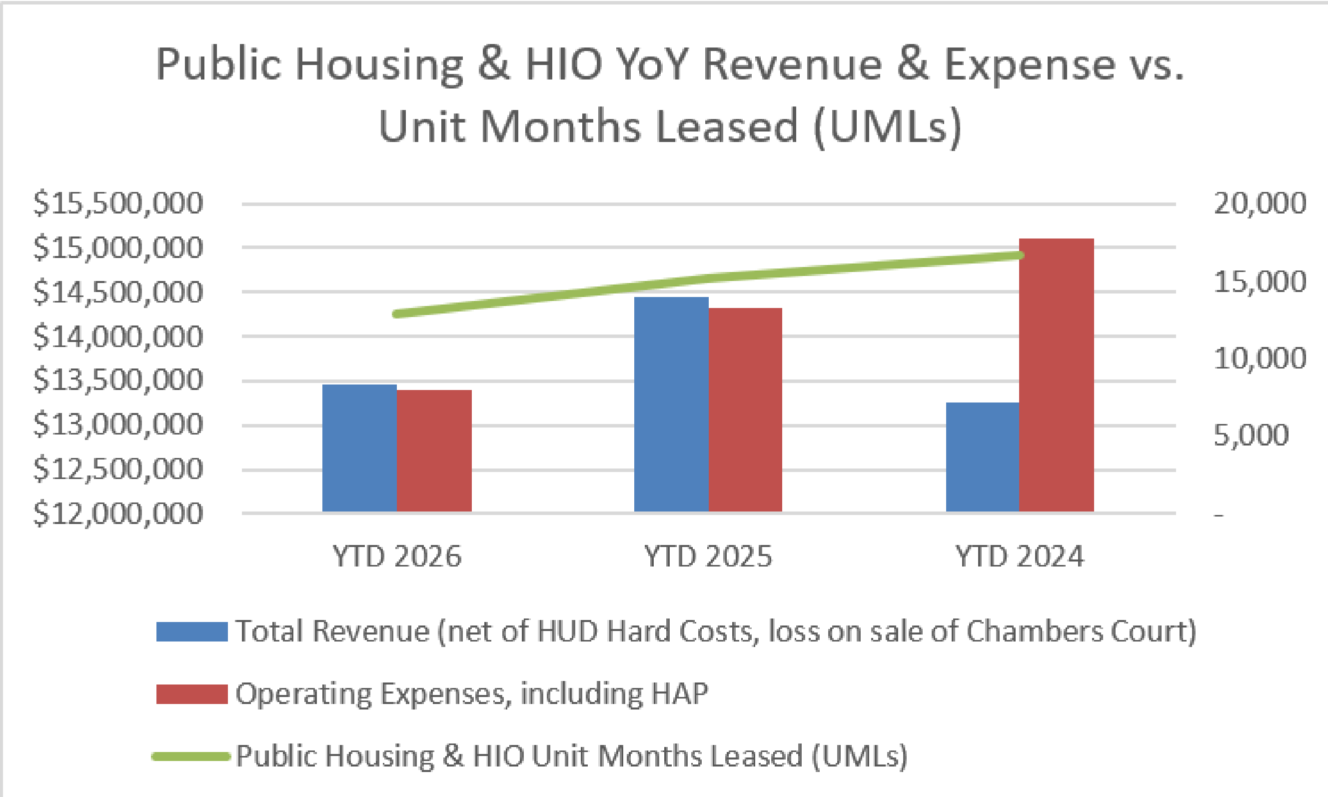
SECTION 8 PROGRAM	YTD 2026	YTD 2025	Increase / (Decrease) over 2025
Section 8 Housing Assistance Revenue	31,556,676	28,867,966	9%
Section 8 Housing Assistance Expense	31,598,323	28,317,504	12%
Section 8 Program Net Income / (Loss)	**(41,647)**	**550,462**	

River City Housing Connections

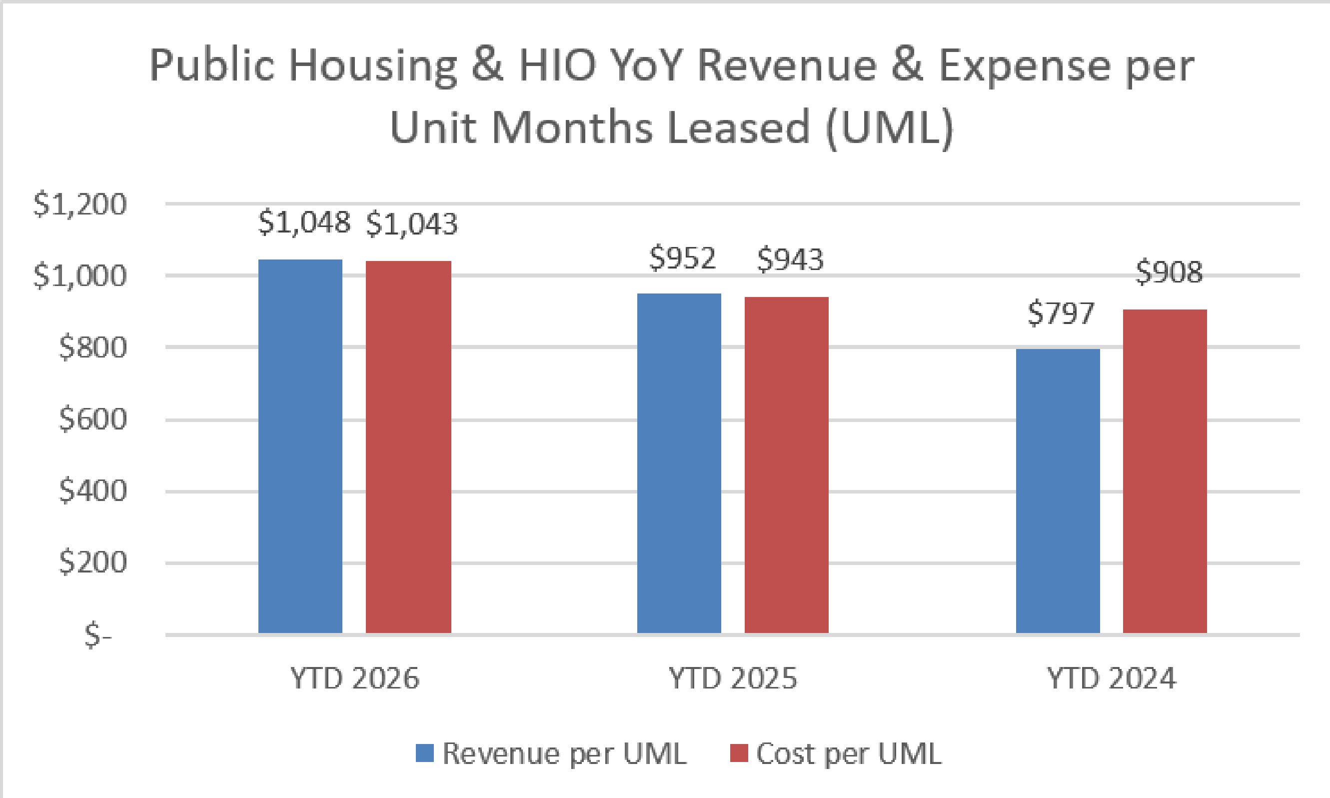
RIVER CITY HOUSING CONNECTIONS	River City - SCNE	River City - Pine Tower	River City Housing Connections - All Other Activities	Total
River City YTD Revenue	1,190,426	793,468	541,022	2,524,916
River City YTD Expense	1,019,765	826,287	84,198	1,930,250
River City Housing Connections Adjusted Net Income / (Loss)	**170,661**	**(32,819)**	**456,824**	**594,666**

July 31, 2026 Year-To-Date Financial Recap

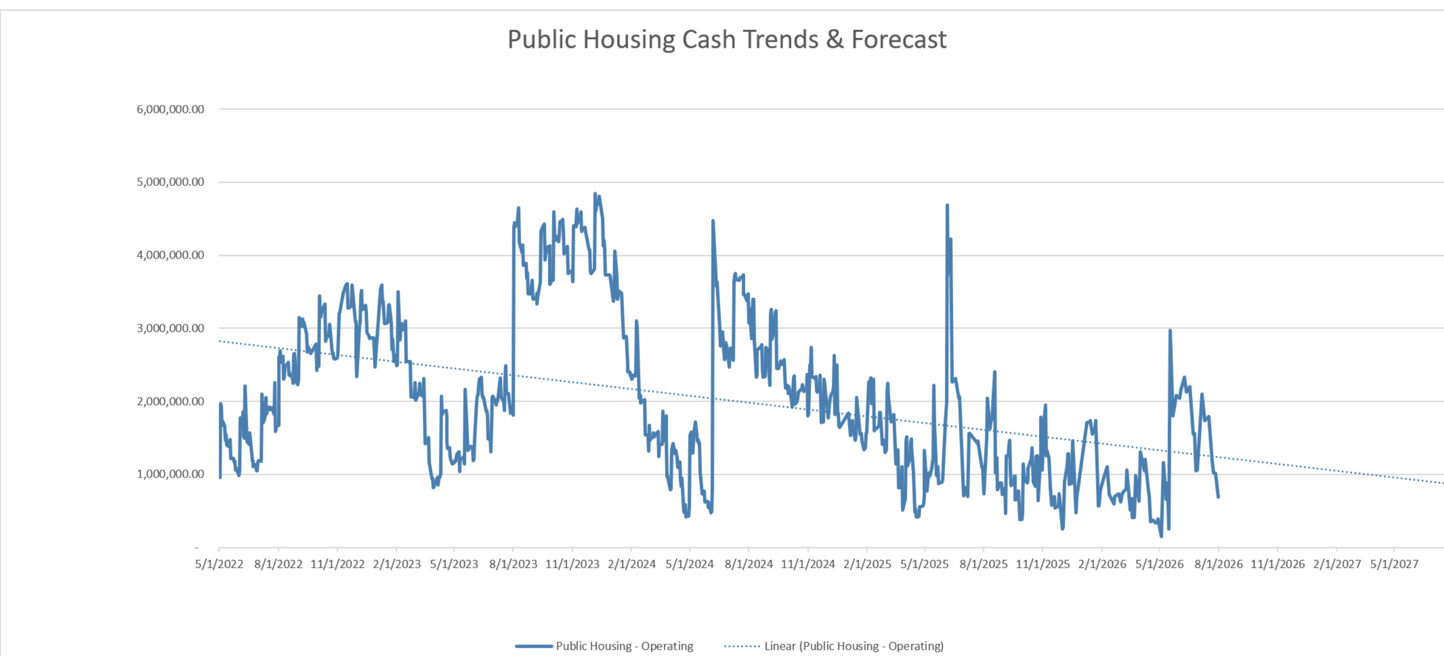
Public Housing & HIO Revenue & Expense Trends



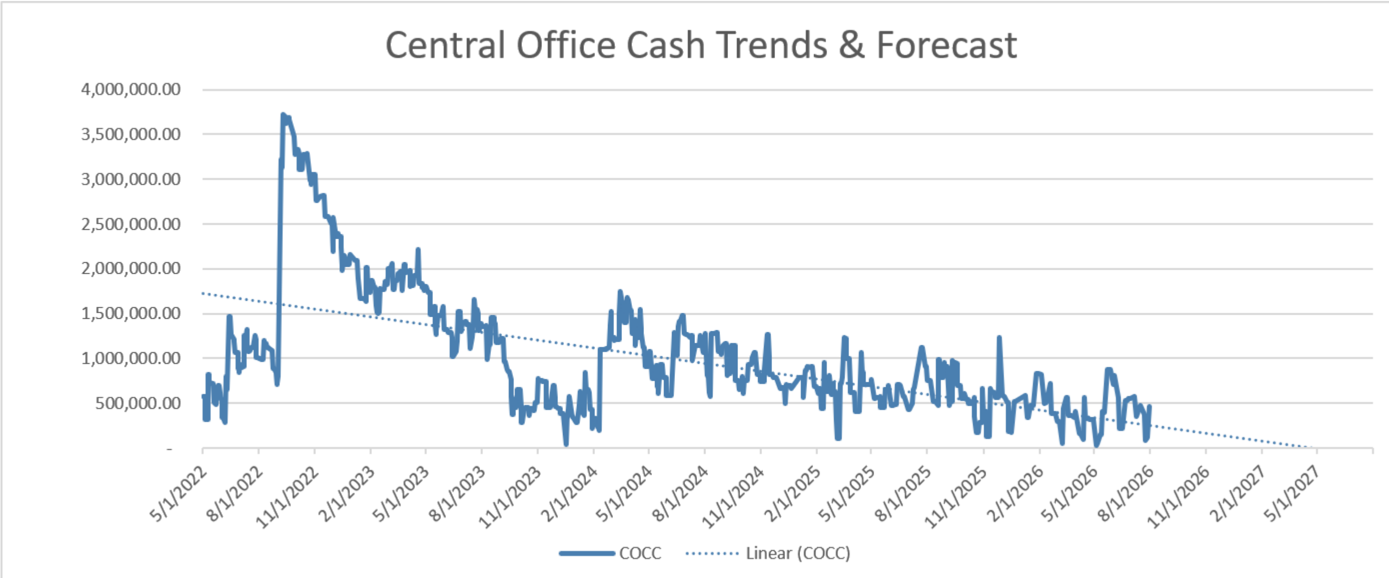
July 31, 2026 Year-To-Date Financial Recap



Cash Trends



July 31, 2026 Year-To-Date Financial Recap



8.7. Development

Memorandum

To: OHA Board of Commissioners

From: Joy Kayode, Strategic Project Manager

Date: August 31, 2026

Re: Development Report

Choice Neighborhood Implementation Grant – Southside

Lease up at Cornerstone at Southside has continued since late Spring 2026 and move ins are ongoing.

SST Phase 2 financial closing occurred in June 2025. To date, construction is ongoing. OHA will provide a more detailed construction completion and lease up timeline in the coming months.

3030 Upland Parkway financial closing occurred in October 2025. Construction has started and occupancy is tentatively scheduled for Spring 2027. This will be a 74-unit development consisting of a 71-unit multifamily building and a three-unit townhome development.

Y Street Townhomes will be a partnership between Brinshore, Canopy South and OHA. The development will consist of 14 townhome units. Closing is tentatively anticipated to occur in the early fourth quarter of 2026.

Design work for Arbor Flats is ongoing. Closing is anticipated for 2026. OHA will provide a more detailed timeline in the coming months.

SST Phase 3a closing is anticipated to occur September 2, 2026. SST Senior (phase 3b) closing is anticipated to occur early fourth quarter 2026.

SST Phase 4 is underway. The team is making progress towards an early September NIFA application submission. OHA will provide a more detailed timeline in the coming months.

Scattered Site Housing

Lease up of Scattered Sites NE PBV units are ongoing. OHA staff will continue to lease up vacant units and provide additional updates.

On July 9, 2026, OHA received approval for the section 18 disposition (through sale) of 27 single-family scattered site units at fair market value. This disposition project will be referred to as the SCNE Sale. OHA will provide a more detailed sale timeline in the coming months.

A section 18 disposition application is pending submission for the conversion of 66 single-family scattered site units to the PBV program. This disposition project will be referred to as the SCNW PBV Conversion.

Tower Repositioning Planning

Planning for renovation and preservation for OHA's public housing towers through a variety of HUD redevelopment tools has started with OHA's RAD consultant, AH Forward, and development partner, Brinshore.

The Pine Tower RAD conversion closed mid-November 2025. OHA has continued to work with Brinshore, BCM, and Seldin to ensure the property management changeover and construction continues as scheduled.

Florence Tower and Kay Jay Tower RAD/Section 18 conversion is ongoing. OHA is working with Brinshore to ensure that the required documentation is submitted for HUD review in advance of closing. Closing is anticipated to occur early Q4 2026.

OHA staff have started due diligence work for the RAD/Section 18 conversion of two additional towers that will follow the conversion of Kay Jay and Florence Towers.

Conversion Summary

CURRENT/ONGOING Repositioning Projects						
OHA Asset	**Status**	**# of Units**	**Conversion Type**	**New Asset Type**	**New # of Units**	**New Owner**
Pine Tower	CONVERTED – 11/21/2025	143	RAD/Section 18 Blend	Project-Based Vouchers (HCV Dept)	143	Pine Tower, LLC
Scattered Sites NE	CONVERSION COMPLETE – VACANCIES FILLED FROM RCH WAITLIST	117	PBV	Project-Based Vouchers (HCV Dept)	117	River City Housing
Kay Jay – Florence Towers	CLOSING ANTICIPATED Q4 2026	223 FT – 106 KJ - 117	RAD/Section 18 Blend	Project-Based Vouchers (HCV Dept)	223 FT – 106 KJ - 117	Kay Jay-Florence, LLC
SCNE	APPROVAL RECEIVED – DISPO UNDERWAY	29	Sale at FMR	No longer in OHA Portfolio	0	Various Owners
UPCOMING Repositioning Projects						
Evans Tower Highland Tower	NIFA APP SUBMISSION – SEPT 2026	216	RAD/Section 18 Blend	Project-Based Vouchers (HCV Dept)	216	TBD
SCNW	PENDING SUBMISSION LATE Q2 2026	66	PBV	Project-Based Vouchers (HCV Dept)	66	River City Housing

8.8. Procurement/Contracting/Capital Budgets

Procurement Monthly Report – September 2026

SOLICTATION ACTIVITY		
Solicitation	**Type**	**Anticipated Board Month**
Scattered Site Lead Paint Repairs	IFB	November
Annex Exterior Repairs	IFB	November
Snow Removal	IFB	November
Architectural and Engineering Services	RFQ	December

CURRENT CONTRACT ACTIVITY			
Contract Purpose	**Vendor**	**Action**	**Vendor Demographics**
Hazmat Contractors	[multiple]	Renewal	1/3, MBE, 1/3 WBE
Janitorial	[multiple]	Renewal	6/6 MBE, 5/6 WBE
Trash Removal Services	[multiple]	Renewal	6/7 MBE, 1/7 WBE
Annex A&E	Schemmer Associates	Renewal	N/A

OTHER PROCUREMENT ACTIVITY (EXISTING CONTRACTS / BOARD NOTIFICATIONS)			
Project	**Vendor**	**Amount**	**Contract #**
N/A			

Capital Improvements Monthly Report – September 2026

Capital Funds Project Status update as of 08/21/2026

Project	Comments
COMPLETED	
SFH Window Replacement	Completed August 2026

IN PROGRESS	
Jackson Unit Renovations	Estimated completion August 2026
Jackson Plumbing Stacks	Estimated completion September 2026
Annex Interior Renovation	Estimated completion October 2026
Frances Court Site Drainage	Estimated completion October 2026

IN DEVELOPMENT	
Annex Exterior Renovation	Solicitation opens in September 2026
Lead Based Paint Remediation	Solicitation opens in September 2026
Farnam Elevator Replacement	Engineering and design work completed - waiting for materials fabrication and delivery

Capital Funds ACTIVE Grant Status Update as of 8/21/2026										
Grant Year	**Grant Type**	**Award Amount**	**Award Date**	**Obligation Date**	**End Date**	**$ Expended**	**% Expended**	**$ Obligated**	**% Obligated**	**Status**
2022	JT At Risk	$2,145,000	2/8/2023	1/29/2025	1/29/2027	$2,035,528	94.90%	$2,145,000	100.00%	Obligation complete, expending
2023	Formula	$7,173,205	2/17/2023	2/16/2025	2/16/2027	$6,497,796	90.30%	$7,173,205	100.00%	Obligation complete, expending
2024	Formula	$7,433,097	5/6/2024	5/6/2026	5/6/2028	$7,377,677	99.01%	$7,433,097	100.00%	Obligation complete, expending
2025	Formula	$7,538,645	5/13/2025	5/12/2027	5/12/2029	$3,656,212	48.13%	$5,626,801	74.07%	Obligation in progress
2026	Formula	$7,710,467	4/1/2026	3/31/2028	3/312030	$2,899,403	37.60%	$2,899,403	37.60%	Obligation in progress

8.9. Human Resources

Memorandum

To: The Board of Commissioners

From: Latina Jackson, Director of Human Resources

Date: August 21, 2026

Re: Staffing Report Summary July 24, 2026 – August 21, 2026

Total Open Positions 5

Position(s)	Number of Positions Open	Department	Status
Housing Compliance Specialist	2	Housing Program Compliance & Eligibility	Interviewing and checking references
Director of Strategic Initiatives	1	Administrative	Interviewing
Maintenance Repairer	1	Property Management	Interviewing
Administrative Assistant-Property Management	1	Property Management	Interviewing

Total New Hires 7

Title	Number of Positions Filled	Department/Location
Administrative Assistant – Property Management	1	Property Management
HCV Accountant	1	Finance
Lead Pest Control Technician	1	Property Management
Custodian	1	Property Management
Maintenance Repairer	1	Property Management
Account Resolution Coordinator	1	Finance
Administrative Assistant – Housing Operations	1	Property Management

Total Transfers 0

Name	Old Title	New Title	Department	Date

Total Promotions 0

	Old Title	New Title	Department	Date

Type of Termination	Number of Employees
Involuntary	1
Voluntary	1

Current Monthly Turnover Rate
1.25 %

Annual Turnover Rate (9/2025 – 8/2026)
26.25 %

8.10. Family and Community Services

Family and Community Services Department

Synergy of Services = Self-Sufficiency

Outreach

Academic Achievement

Transportation

Elderly and Disabled Services

Resident Education and Employment

Family Self-Sufficiency

Homeownership

Grants

Families Towards Self-Sufficiency

Family Services Board Report

Family and Community Services Department

Family Services and Community Outreach (FSCO) Program

Goal: The primary goal of the Family Services and Community Outreach Program is to assess, upon lease-up, the needs of public housing residents and strategically connect them to community resources and internal OHA programs that stabilize their housing situations; provide access to education and employment opportunities; and offer youth tutoring and mentoring, as well as quality services that allow older people to age in place. Additionally, the FSCO Program assists the overall agency with the collection of non-payments of rent through referral resources; enhanced public safety through resident mediation; formal and informal HCV and Public Housing hearings; incentive transfer; and the development of the Community Service/Section 3 Resident program, Resident Associations, and the Central Advisory Committee.

Snapshot of Services/Referrals	The Impact (Households served)
Home Visits	147
Study Centers (Youth & Adult)/Computer Lab (SST and TSF)	N/A
Outreach Efforts	300+
Educational Opportunities (ABE/GED/ESL/Translation services) Adult	10
Employment Referrals (Job Readiness/Employment Leads/Job Placement)	100+
Youth/Adult (Cultural/Recreational/Educational)	100+
Transportation to all activities	200+
Intra-Agency Service Coordination & Support	22
New Enrollment (Case Management)	0
Number of New Community Partnerships	22
Number of Cultural/Recreational Activities (Soccer Training)	13
Referral to FSS/HOP	0
Food/Nutrition Program (TSF food program)	200+
Service Coordination with Property Management	20

Residents' Opportunity for Self-Sufficiency (ROSS) Program:

The Resident Opportunity for Self-Sufficiency (ROSS) Program is designed to help adults and youth living in public housing set and achieve goals related to economic self-sufficiency. The program is broken down into a set of purposes related to the following:

- Education
- Employment and Job Training
- Health/Wellness

The program is self-directed and self-paced. The ROSS coordinator will collaborate with participants to access these resources. This program will best serve those who are initiative-taking and genuinely interested in improving their current situation.

Family Services Board Report

Family and Community Services Department

Purpose: To provide case management services to residents living within Omaha Housing Authority communities, focusing on strengthening families and promoting self-sufficiency through supportive services and referrals to community partners.

Snapshot of Services/Referrals	The Impact (Households served)
Caseload to Date	102
New Enrollments	14
TANF Recipients	0
Face-to-Face Contact Visit	65
Virtual Contact Visit	5
Phone Visit	30
ROSS Employment Goals	4
Job Placement	2
Employed Full-Time	35
Employed Part-Time	10
Employment Referrals	50+
Education Goals	50+
Education Goals Met	161 MCC/UNO
Education Referrals	50+
College Enrollment	30+
Healthcare Coverage	40
Program Coordination Committee (PCC)	25
New PCC Partners	2

Resident Education and Employment Program (REEP)

Goal: The primary goal of the Resident Education and Employment Program (REEP) is to provide meaningful opportunities for Public Housing and Section 8 residents to receive job readiness training, soft and life skill development, post-secondary education, GED/ABE/ESL, job search assistance, and resume preparation. By connecting residents with Metro-area employers, REEP seeks employment opportunities that lead to economic self-sufficiency.

Snapshot of Service Coordination	The Impact (Households served)
Job Placement (National Able program)	24+
Job Readiness Training/Referral and Job Fair	300+
Direct Employment Leads/Flyers	300+
Post-Secondary Education (Certificate Programs/2/4-year University)	161

Family Services Board Report

Family and Community Services Department

Family Self-Sufficiency Program (HCV/PH) (FSS)

Goal: The primary goal of the Family Self-Sufficiency Program is to empower families to become economically self-sufficient. Through intensive case management services, financial literacy counseling, asset development, life skills workshops, goal planning (ITSP), and strategic service coordination facilitated by the Program Coordinating Committee (PCC), residents acquire the skills necessary to live and lead self-sufficient lives.

Snapshot of Service Coordination	The Impact (Households served)
Intensive One-on-One Case Management (HCV & PH)	HCV-179 PH-36
TANF Recipients (Welfare to Work)	HCV-6 PH-5
Recommendation for Graduation	HCV-1 PH-1
Recommendation for Termination w/escrow	HCV-0 PH-0
Recommendation for Termination	HCV-2 PH-0
Program graduates	HCV-0 PH-0
New Enrollment	HCV-0 PH-0
Employment/Job Training/Referrals (YTD)	135
Post-Secondary Education (YTD)	HCV-29 PH-10
Employed full-time (YTD)	HCV-126 PH-19
Financial Literacy (Financial Management & Homeownership Counseling) (YTD)	57
Asset Development (Escrows)	**HCV-$653,270.00** **PH-$63,000.00** **Total-$716,320.00**
Life Skills	55
Service Coordination (PCC)	27
In-Person/Zoom/Phone Meetings	35
FSS Forfeiture: The Final Rule (24 CFR § 984.305(f)(2)) requires that forfeited Family Self-Sufficiency (FSS) escrow funds be used by the Public Housing Agency (PHA) or owner for the benefit of FSS participants in good standing, instead of being returned to the Housing Assistance Payments (HAP) or Operating Fund. Forfeited funds can be used for eligible activities, including transportation, childcare, training, employment preparation, and other FSS-related expenses, as well as FSS coordinator training. However, they cannot be used for FSS coordinators' salaries, general administrative costs, HAP expenses, or any activities deemed ineligible by the Secretary.	**$109,746.00**

How do We Impact OHA and the Community?

Family Services Board Report

Family and Community Services Department

ACHIEVEMENTS:

Program and Participant Updates

- *Two tenants utilized their voucher and closed on their home.*
- *Staff continue to participate in the HUD online seminar.*
- *T. Newson ($6,587.59) and C. Watkins ($8,831.80) are being recommended for FSS graduation.*
- *Partnership with UBT to schedule another NEED VS Wants workshop throughout the year.*
- *Staff continue to participate in FSS office hours, during which HUD staff shared that FAM scores are expected to be released within the next few months. HUD is working to align renewals and consider increases in staffing positions based on FAM scores. HUD staff also reiterated the importance of monthly drawdowns, emphasizing that at least 75% of funds should be drawn down by September 2026. Additionally, HUD will begin conducting recaptures based on drawdown activity.*
- *B. Morrison's home passed OHA inspection, and she will be closing in August*
- *Staff participated in the HUD Ross-Resident Opportunity and Self-Sufficiency online seminar.*
- *Staff conducted a follow-up meeting with Lincoln Federal Savings Bank via Teams to further discuss financial literacy collaboration.*
- *C. Gaye ($4,658.38) and A. Reese ($4,736.55) are being recommended for FSS graduation.*
- *Staff continue to communicate with OHA IT to place information on the portal regarding homeownership, financial education, education, employment, and the implementation of the Yardi Case Manager system.*
- *FSS staff attended a court hearing for an FSS participant and utilized FSS forfeitures to stop the eviction process.*
- *Staff are working on sponsorship donations for the back-to-school Shoe Giveaway event.*
- *Staff are working on the ROSS Rapid Response Program grant.*
- *FSS staff are actively developing new community partnerships.*
- *Staff attended Omaha 100 office hours and will begin tabling every other Tuesday in July.*

Staff Development and Training

- *FSS staff graduated from the five-week Community Learning Collaborative Professional Women's Cohort hosted by the North Omaha Collective. The training focused on Healing Centered Engagement and provided leadership development, advocacy strategies, and practical skills to better support individuals and families experiencing challenges.*

Outreach, Engagement, and Case Management

- *Continue our strong partnership effort with National Able to partner again to support our residents aged 55 and older in reentering or remaining in the workforce. Through the Senior Community Service Employment Program (SCSEP), participants receive paid, part-time community service assignments combined with job training, skills development, and career coaching. This month, two more participants have been approved to start their work experience immediately. The program helps older adults build confidence, update job skills, and transition into unsubsidized employment while maintaining financial stability and community engagement.*

Partnerships and Community Collaboration

Family Services Board Report

Family and Community Services Department

- *Partnership with Center for Holistic Development "Brighter Days Suicide Prevention Rally and Walk"*
- *2026 Ann Goldstein Outstanding Leader Award Scholarship. The scholarship application was distributed through all Metro-area public schools, OHA staff caseloads, and the OHA resident portal. By the April 26, 2026,*
- *A joint fall workshop is tentatively planned, focusing on credit readiness and first-time homebuyer pathways. We anticipate raising over $35k for the event.*
- *22 Community partners have confirmed to participate in OHA's Annual Back-to-School event in August.*
- *Staff will continue sharing resident success stories and challenges to help Omaha 100 refine outreach and support strategies.*
- *During the month of July, the coordinator strengthened community partnerships by meeting with a wide range of organizations to expand resources, coordinate services, and support upcoming initiatives for OHA families and residents. Meetings and collaboration included Turner Construction, Food Bank for the Heartland, 75 North, OneWorld, Centris Federal Credit Union, Greater Omaha, Lutheran Family Services, Patron Senior Living, the Center for Immigrant and Refugee Advancement (CIRA), Canopy South, Triangle Auto, UNO DASH, Omaha Public Schools (OPS), Metropolitan Community College (MCC), Essential Pregnancy Services (EPS), Edwards, the Learning Community Center, Code Black Tech, and the Islamic Center (Midtown). These partnerships continue to strengthen opportunities in education, workforce development, health and wellness, financial literacy, and community engagement for residents.*
- *Coordinators served more than 200 students; students participated in the Summer Field Trip Program. Youth attended a variety of educational and recreational outings, including swimming pool sessions, Mahoney State Park, Wildlife Safari Park, Hitchcock Pool, and the Henry Doorly Zoo. These experiences provided opportunities for physical activity, social engagement, and hands-on learning throughout the summer.*
- *Staff continue to meet with HWS regarding upcoming summer programs and events for students and families.*
- *Continue to communicate with residents through phone calls, text messages, and emails to increase awareness of available programs and upcoming events.*
- *Continue to post program announcements and service updates on community bulletin boards and digital platforms.*
- *Collaborated with property management staff to identify residents who may benefit from supportive services and referrals.*
- *Staff completed MI OARS Background Zoom Training to strengthen their understanding of motivational interviewing principles and effective communication strategies. This training enhanced their ability to support students through goal setting, engagement, and positive behavior change conversations.*
- *Staff completed the Practical Skills for People Serving Communities training through Mental Health First Aid. This training provided valuable tools and strategies for recognizing, understanding, and responding to individuals experiencing mental health challenges, further enhancing the coordinator's ability to support students and community members effectively.*
- *Staff completed all required modules for the Mental Health First Aid training program. The comprehensive course took over eight hours to complete and provided in-depth instruction on recognizing signs of mental health challenges, offering initial support, and connecting individuals with appropriate resources and services at the end of training.*
- *Staff participated in the Employ OMA: Coalition Sharing meeting, collaborating with community partners to exchange information, discuss workforce development initiatives, and identify opportunities to support students and job seekers better. The meeting fostered networking, resource sharing, and coordinated efforts to strengthen employment pathways within the community.*
- *Staff attended a meeting with the University of Nebraska at Omaha (UNO) DASH program to discuss opportunities to improve student engagement, student success, and access to campus resources.*

Family Services Board Report

Family and Community Services Department

- *Staff participated in the second phase of Adult Mental Health First Aid training as well as Youth Mental Health First Aid training. These sessions provided advanced knowledge and practical skills for recognizing, understanding, and responding to mental health challenges affecting both adults and youth, strengthening the coordinator's ability to support students, families, and community members.*
- *Continue collaboration with Creighton University's TRIO Program to support middle and high school students through academic support, college readiness, and mentorship.*
- *Staff continue to work closely with over 150 college students and families to collect enrollment data and share findings with UNO and MCC to support scholarship eligibility and institutional coordination.*
- *Continued engagement with Heartland Workforce Solutions regarding the CRED program, which provides financial assistance for training, certification, and employment-related expenses.*
- *Continue to maintain a strong partnership with the BSR team to connect residents with employment opportunities and hiring agencies.*
- *Staff attended Coffee and Connects-Omaha Chambers to connect with community partners and businesses.*
- *Strong partnership with Creighton University's Highlander community hub, working together to support families, promote safety, and strengthen neighborhoods in North Omaha. This collaboration brings together OHA's commitment to safe, affordable housing with Creighton Highlander's focus on education, health, and community well-being. By working side by side, both organizations are helping ensure residents have access to resources that support stability, opportunity, and long-term success.*

Youth, Education, and Workforce Development

- *Out of the 37 students who graduated, 26 have already applied to their college of choice, demonstrating their commitment to continuing their education and taking the next steps toward achieving their academic and career goals.*
- *Coordinators updated the high school senior list and scholarship tracking lists for students attending both Metropolitan Community College (MCC) and the University of Nebraska at Omaha (UNO). These updates help ensure accurate records, enrollment, and support ongoing educational success*
- *The coordinator created a comprehensive report for all Metropolitan Community College (MCC) students. The report included each student's current grades, enrollment status, and identified students who are no longer eligible for funding due to poor attendance or failure to meet educational requirements.*
- *The coordinator continued to meet with Omaha Public Schools (OPS) to discuss several updates for the 2026–2027 school year, including program changes and updated contact information for school counselors to improve communication and student support.*
- *Translation services were provided for several families to ensure they could effectively communicate with schools, community partners, and service providers while accessing needed resources.*
- *Organized youth enrichment activities with The Simple Foundation designed to promote teamwork, communication skills, and personal growth.*
- *A detailed report was completed for every field trip conducted during June. The report documented the purpose of each trip, the number of students and families served, attendance, and program outcomes.*
- *Youth involvement remains a priority, with scholarship opportunities promoted to 45 OHA high school students.*

Health, Wellness, and Senior Services

- *Charles Drew Health Community Center and Methodist College continued providing mental health counseling at Park North and South Tower and deployed its mobile unit to other OHA Towers for basic health screenings.*

Family Services Board Report

Family and Community Services Department

- *The Family & Community Engagement team continue to collaborate with Lutheran Family Services (LFS) and Heartland Family Services to focus on expanding access to Mental/Behavior Health and Supportive Services resources for the families we serve.*
- *Through the Creighton University REACH program, five Community Health Workers continue to attend bi-weekly training at Malcolm Place. This month, CHWs worked with City Spout to implement and install new community garden bins at Crown and Park towers.*
- *UnitedHealthcare hosted 6 informational events, reaching over 50 residents.*
- *Integrity First Care provided in-home healthcare, companion services, housekeeping, transportation, and nursing assistance to 9 tenants this month at the Tower.*
- *GOCA/ENCAP continued serving senior residents at all 10 OHA towers, averaging 40 participants monthly.*

Community Programs and Special Initiatives

- *The OHA/TSF soccer program reached a record-high participation level again, engaging over 600 youth in year-round programming.*
- *Continued to support over 200 OHA/TSF college students through the Scott Foundation Scholarship, totaling over $300,000 annually.*
- *Arch Well Health- Assist our over 20 residents in living healthier lives through Superior Senior primary care and strong patient-to-doctor relationships. They also hosted several health events at various towers.*

Upcoming Events:

Various training sessions, career fairs, outreach programs, and continued recruitment for FSS and ROSS SC programs, among others.

- *Continue recruiting for the FSS program.*
- *FHAS-Credit Connect Workshop*
- *OPS Community Partnership meeting 8/20*
- *Douglas County Election Commission meeting at Pine Tower.*
- *Omaha Chambers-Youth Leadership Omaha meeting*
- *Mayor’s Young Professional meeting*
- *CPHHE-Violence and Mental Health Committee meeting*
- *United Way of Midland Campaign Kick-off 8/20*
- *OPS First Day of School greetings.*
- *HFS Pancake event at Benson*
- *Caption Call-Phone services event.*
- *Immanuel Pathway event at Crown*
- *Emerging Advocates Training*
- *Ann Goldstein Outstanding Scholarship presentation.*
- *Collaborative meeting with Lincoln Federal Savings Bank*
- *Back-to-School event on August 13 at MXP.*
- *HUD-FSS office hours*

Family Services Board Report

Family and Community Services Department

- *Financial Literacy Series*
- *Community Garden at Park North and Crown Tower (REACH)*
- *CPHHE General Partnership meeting*
- *August-The Simple Foundation Partnership monthly meeting.*
- *Omaha Sister Cities-Ghana Committee*
- *UWM-Community Investment and Program Committee and Board meeting.*
- *REACH Bi-weekly Training and meetings.*
- *Arch Well Health Events*
- *Methodist College Students/Mobile Unit*
- *Charles Drew Community Health Center Mobile Unit screening.*
- *UNO-DASH and Scholarship meeting.*
- *College Possible Partnership meeting.*
- *August 2026 FSS office hours*
- *Domestic Violence Annual Walk meeting*
- *Nebraska Center for Healthy Family workshops*
- *Heartland Workforce Solution meetings*

8.11. Legal

Memorandum

To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: September 3, 2026

Re: Legal Matters

Aaron Burbine	Tort	03/13/26 Notice of tort claim		

OHA v State of NE et al 25-5460		06/27/25 OHA Complaint filed 09/16/25 Hearing D motion to dismiss 10/17/25 Court dismisses without prejudice 11/03/25 OHA Amended Complaint filed 12/09/25 D motion to dismiss 12/16/25 Judge appointed 01/15/26 Court denies D MTD 01/26/26 D Answer to amended complaint 03/06/26 OHA submits discovery responses 03/30/26 OHA motion summary judgment 05/07/26 Hearing on MSJ 06/11/26 OHA MSJ denied 08/14/26 Court order case progression 03/26/27 Trial scheduled	Douglas County District Court Sarpy County Court Judge	PENDING
Bush v OHA	Class action Hardship etc	06/27/24 P complaint filed Settlement negotiations pending 11/20/26 Deadline P for amended complaint	US District Ct	PENDING
Bell v OHA 25-79 S-25-760	Class action Bedbugs etc	01/06/25 P Complaint filed 03/25/25 P amended Complaint filed 08/14/25 Hearing OHA motion to dismiss 09/12/25 Case dismissed without prejudice 10/08/25 P appeal 01/05/26 Appellant brief filed 03/06/26 OHA brief submitted 03/16/26 Appellants reply brief filed 06/01/26 Case moved to Supreme Court 08/29/26 Hearing possible dates	Douglas County District Court NE Court of Appeals NE Supreme Court	PENDING
Cribbs v. OHA	Negligence	12/29/23 P Complaint filed 04/25/24 OHA answer filed 12/03/25 Mediation 05/06/26 Dismissed with prejudice	Douglas County District Court	RESOLVED
Cooksey-Timperley v OHA	Tort	04/01/25 Summons & Complaint served 05/15/25 OHA answer filed 09/06/25 Hearing	Douglas County District Court	PENDING
Solomon v. OHA	Small claim	01/23/26 Small claim complaint filed 03/23/26 Transferred to regular docket 04/17/26 OHA motion to file MTD 05/28/26 Dismissed with prejudice	Douglas County County Court	RESOLVED

HASANI LEE & TONI WIGGINS & RELATED CASES

Hasani Lee et al 24-0039		01/02/24 P Complaint filed 03/15/24 Dismissed with prejudice	Douglas County District Court	RESOLVED
Hasani Lee et al 24-1768		03/05/24 P Complaint filed 12/12/24 Dismissed combined with 24-2225	Douglas County District Court	RESOLVED
Hasani Lee et al 24-2225 A-25-982		03/21/24 P Complaint filed 10/30/25 Summary judgment for OHA 11/10/25 P motions to change judgment etc 12/12/25 Court denies P motions 12/23/25 P appeals judgment 07/23/26 Court affirms trial court judgment	Douglas County District Court NE Court of Appeals	PENDING
Hasani Lee et al 24-3481 A-25-981		05/03/24 P Complaint filed 10/30/25 Summary judgment for OHA 11/10/25 P motions to change judgment etc 12/12/25 Court denies P motions 12/23/25 P appeals judgment 05/12/26 Appeal denied 05/28/26 P petition for further review 06/22/26 Petition for further review denied	Douglas County District Court NE Court of Appeals	RESOLVED
Hasani Lee et al v OHA 8:24-cv-00202 8:24-cv-00203		06/03/24 Complaint filed (no service) 04/02/25 Case dismissed by court	US District Court-Nebraska	RESOLVED
Hasani Lee et al 25-4085		05/30/25 Service of complaint 06/27/25 OHA motion to dismiss 09/22/25 Case dismissed by court	Douglas County District Court	RESOLVED
Hasani Lee et al 25-6860 8:2025cv00569		08/14/25 Complaint filed in court 09/17/25 OHA removes case to federal court 09/24/25 OHA motion to dismiss 06/18/26 MTD granted 07/01/26 P files motion to reconsider	Douglas County District Court US District Court-Nebraska	PENDING
Hasani Lee et al 8:25-cv-00735		12/22/25 Complaint filed (no service) 01/15/26 Court will review complaint	US District Court-Nebraska	PENDING
Hasani Lee et al 8:26-cv-00410		08/10/26 Complaint filed (no service)		PENDING

DISCRIMINATION CLAIMS

Shelly v. OHA	Discrimination	12/22/25 Notice of charge 02/04/26 OHA response submitted	NEOC	PENDING
Henry Lee et al v. OHA	Discrimination	02/25/26 Notice of charge 03/16/26 Negotiation/settlement meeting 05/06/26 Charge dismissed	OHRRD	RESOLVED
Stanley v. OHA	Discrimination	03/04/26 Notice of charge 05/03/26 OHA response submitted	NEOC	PENDING
Hasani Lee v. OHA	Discrimination	05/11/26 Notice of charge 06/22/26 OHA response submitted	OHRRD	PENDING
Holmes v. OHA	Discrimination	08/20/26 Notice of charge 09/19/26 OHA response due	NEOC	PENDING

JULY 2026 EVICTION CASES

	Eviction	Cured/Paid	Moved Out	Other/Dismiss	Pending	Denied	Total
Nonpayment	0	0	0	0	0	0	0
Lease	0	0	0	0	0	0	0
Criminal/HSW	0	0	0	0	0	0	0
07/26 Totals	0	0	0	0	0	0	0
06/26 Totals	0	0	0	0	0	0	0
05/26 Totals	0	0	0	0	0	0	0
04/26 Totals	0	0	0	0	0	0	0
03/26 Totals	0	0	0	0	0	0	0
02/26 Totals	0	0	0	0	0	0	0
01/26 Totals	0	0	0	0	0	0	0
12/25 Totals	0	0	0	0	0	0	0
11/25 Totals	0	0	0	0	0	0	0
10/25 Totals	0	0	0	0	0	0	0
09/25 Totals	0	0	0	0	0	0	0
08/25 Totals	0	0	0	0	0	0	0
07/25 Totals	0	0	0	0	0	0	0
06/25 Totals	36	57	8	22	2	0	125
05/25 Totals	7	3	2	1	0	1	14
04/25 Totals	10	6	0	2	0	0	19
03/25 Totals	0	3	7	0	1	0	11
02/25 Totals	1	7	3	0	2	0	13
01/25 Totals	7	14	2	5	0	0	28

8.12. Quality Improvement

9. NEW BUSINESS

10. EXECUTIVE SESSION FOR LEGAL, REAL ESTATE, AND/OR PERSONNEL MATTERS

11. ADJOURNMENT