



CDBG-DR Housing Assistance Intake and Eligibility Guidelines

Overview

The Boulder County Housing and Human Services department houses the Eligibility and Intake component of the Community Development Block Grant for Disaster Recovery (CDBG-DR) Housing Assistance Programs. The programs which fall under this “umbrella” are: Home Rehab, Home Access, Clearance and Demolition (projects not tied to Buy-Out) and Temporary Rental Assistance, all of which also have their own guidelines which capture the following information. The Property Acquisition/Buyout Program has its own eligibility guidelines, some of which do not fall under these eligibility guidelines. However, all programs do follow the same documentation guidelines listed below.

A. Program Wide Criteria Determining if Household is Eligible:

1. Household was directly impacted by the September 2013 Flood; and
2. Damaged home is in Boulder County (with the exception of Longmont residents who receive direct assistance from the City of Longmont for Round 1; thereafter, COL residents are also eligible for CDBG-DR Assistance through Boulder County); and
3. All household members are US citizens or are legally documented permanent residents of the United States.

B. Application Packets and Eligibility Verifications

1. Each household must complete the **CDBG-DR Application**
2. Each adult must complete and sign the **Release of Information** included in the application
3. **Income Verification:**
 - a. Prior to July 1, 2015, Boulder County DHHS CDBG-DR TRA followed the BCHA Section 8 Housing Choice Voucher Administrative Plan’s Chapters 9 (Determination of Family Income) and 10 (Verification) (attached and incorporated herein as Attachment A).
 - b. After July 1, 2015, household income is determined following the Boulder County Collaborative CDBG-DR IRS Form 1040/AGI Calculation Method (attached and incorporated herein as Attachment B)
4. **Residency Status Verification:**
 - a. Driver’s Licenses for all adult household members (preferably Colorado issued)
 - b. Birth Certificates for all children in the home(adults or children)
 - c. Social Security Cards for all household members
 - d. All household members must sign a Lawful Presence Affidavit (parents/legal guardian complete for children)



- e. Passports (necessary for household members who are unable to provide driver's license)
- f. Green card / Proof of legal residence

5. Primary Household verified as Directly Impacted by the September 2013 Flood by:

- a. Household is registered with FEMA for Individual Assistance (IA); **OR**
- b. Proof of ownership of the primary household (mortgage statements, titles to the property, Boulder County Assessor report); **and**
- c. Proof the damaged home (whether they owned or rented it) was a primary residence at the time of the flood (time of flood lease or utility bills from August/September 2013); **and**
- d. Proof that the location of the primary home was flooded (FEMA letter or report, insurance claims, date-stamped photos, and/or aerial photos / confirmation from Boulder County offices including Land Use and Assessor's).

6. Household must provide documentation showing all disaster recovery assistance received from all sources:

- a. Award or Denial Letter from FEMA
- b. SBA Loan Authorization and Agreement Documents
- c. Insurance Claim Approval or Denial Letter-including inspector's report and check sent to homeowner
- d. Community Foundation Letter showing amount of assistance
- e. Report/Documentation from LTFRG outlining amount of assistance received and repairs covered.

C. Prioritization

All CDBG-DR Housing Program applications will first be reviewed for eligibility. Thereafter, Boulder County will prioritize service delivery to urgent need, vulnerable and low-income households, especially those with elderly and/or disabled populations. Boulder County's goal is to prioritize as many vulnerable households as possible. Therefore, as more information about each household becomes available, DHHS will update the prioritization scores and work to address the most vulnerable households on an ongoing basis.

The following eligibility scoring method will be utilized for each applying household:

- Household income below 80% AMI = 5 points
- Household income below 30% AMI = 5 points
- At least one elderly individual is a member of the household = 5 points
- At least one disabled individual is a member of the household = 5 points
- Flood-impacted home was a manufactured home = 3 points
- Single parent households = 1 point
- Household with children under the age of 5 years old = 1 point



- Veteran in the household = 1 point

As of February 2015, Boulder County began assigning additional, negative points to households who have income that exceeds 120% AMI and assets that exceed \$1,000,000.00.

Negative VI Points for High AMI		Negative VI Points for High Assets	
120-129% AMI	-1	\$1M – 1,499,999	-3
130-139% AMI	-2	\$1.5M – 1,999,999	-6
140-149% AMI	-3	\$2M – 2,499,999	-9
150-159% AMI	-4	\$2.5M – 2,999,999	-12
160-169% AMI	-5	\$3M – 3,499,999	-15
170-179% AMI	-6	\$3.5M – 3,999,99	-18
180-189% AMI	-7	\$4M – 4,499,999	-21
190-199% AMI	-8	\$4.5M – 4,999,999	-24
200-209% AMI	-9	\$5M or above	-25
210-219 % AMI	-10		
220-229% AMI	-11		
230-239% AMI	-12		
240-249% AMI	-13		
250% AMI and higher*	-15		

D. Funding Determinations

1. All funding determinations will be made by designated Boulder County Staff, including the BCHA/DHHS Flood Recovery Program Assistant and/or Administrator or the Boulder County Flood Recovery Funding Panel.
2. Should the designated staff or Panel decline to commit County CDBG-DR funds for a household, the applicant may revise the application and resubmit to the County, if the staff or Panel indicate they are willing to consider a revised application.
3. Once the designated staff or Funding Panel make their final decision on a particular application, there is no appeal process available. The Panel will encourage unfunded applicants to resubmit amended applications if new information arises that could alter the outcome of the designated staff or Funding Panel’s review.
4. Each household who is awarded assistance is required to sign a beneficiary agreement.

Applicants or others who wish to file comments or complaints about the funding process may do so in accordance with the procedure specified in **Exhibit D of the Funding Panel Resolution**. While comments and complaints may be filed with the State of Colorado or the U.S. Department of Housing & Urban Development, the County encourages those doing so to first contact the County to see if the issue can be resolved at the local level.



ATTACHMENT A:

**BCHA SECTION 8 HOUSING CHOICE VOUCHER
ADMINISTRATIVE PLAN (EXCERPT)**

9.0 DETERMINATION OF FAMILY INCOME

9.1 INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME

To determine annual income, the Boulder County Housing Authority counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the Boulder County Housing Authority subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment.

9.2 INCOME

- A. Annual income means all amounts, monetary or not, that:
1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 3. Are not specifically excluded from annual income.
- B. Annual income includes, but is not limited to:
1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
 2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not 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 is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
 3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not 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 an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.



4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
6. Welfare assistance
 - a. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
 - i. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - ii. The maximum amount that the welfare assistance agency allows the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
 - b. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
 - c. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)



9.3 EXCLUSIONS FROM INCOME

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution;
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
 1. Amounts received under training programs funded by HUD;
 2. 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);
 3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
 4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
 5. Incremental earnings and benefits resulting to any family member from participation in qualifying State 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;
 6. Temporary, nonrecurring, or sporadic income (including gifts);
 7. 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;



8. Earnings for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments below \$480 per adopted child;
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
11. 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;
12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- a. The value of the allotment of food stamps.
- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973.
- c. Payments received under the Alaska Native Claims Settlement Act.
- d. Income from sub marginal land of the U.S. that is held in trust for certain Indian tribes.
- e. Payments made under HHS's Low-Income Energy Assistance Program.
- f. Payments received under the Job Training Partnership Act.
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians.
- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims.
- i. Amount of scholarships awarded under Title IV including Work-Study.
- j. Payments received under the Older Americans Act of 1965.
- k. Payments from Agent Orange Settlement.
- l. Payments received under the Maine Indian Claims Act.
- m. The value of childcare under the Child Care and Development Block Grant Act of 1990.
- n. Earned income tax credit refund payments.
- o. Payments for living expenses under the AmeriCorps Program.



9.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent;
- B. \$400 for any elderly family or disabled family;
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family:
 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Child care expenses.

10.0 VERIFICATION

The Boulder County Housing Authority will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of family members 18 years of age and older, Social Security Numbers, citizenship/eligible non-citizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

Additionally, families or individuals reporting zero income may have their income verified on a regular basis. This process requires that families claiming zero income complete a statement of survival indicating sources of income for basic necessities.

10.1 ACCEPTABLE METHODS OF VERIFICATION

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.



Other information will be verified by third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the Boulder County Housing Authority or automatically by another government agency, i.e. the Social Security Administration. Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name date of contact, amount received, etc.

When third party verification cannot be obtained, the Boulder County Housing Authority will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the Boulder County Housing Authority has been unable to obtain third party verification in a four-week period of time. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the Boulder County Housing Authority will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

10.2 TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the Boulder County Housing Authority will send a request form to the source along with a release form signed by the applicant/participant via first class mail.

Verification Requirements for Individuals Items		
Item to Be Verified	3rd Party Verification	Hand-carried Verification
Stocks	Letter from Broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal Property	Assessment, bluebook, etc.	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Income		
Earned income	Letter from employer	Multiple pay stubs



Self-employed	N/a	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Resources	Record deposits, divorce decree
Periodic payments (i.e., social security, welfare, pensions, workers compensation, unemployment)	Electronic reports through TASS	Award letter, letter announcing change in amount of future payments
Verification requirements for Individual Items	3 rd Party verification	Hand-carried verification
General eligibility Items		
Social security number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc.	Prof of SSI or Social Security disability payments
Full time students status (if > 18)	Letter from school	For high school students, any document evidencing enrollment
Need for live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Child care costs	Letter from child care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of receipt
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a	Bills receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls



	companion animal is needed	
Value of Income from Assets		
Savings, checking accounts	Letter from institution	Passbook, most current statements
CDs, bonds, etc.	Letter from institution	Tax return, information brochure from institution, the CD, the bond

10.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS

The citizenship/ eligible non-citizen status of each family member regardless of age must be determined.

Prior to being admitted all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID, military DD 214 Form or other official documents.)

Prior to being admitted or at the first reexamination, all eligible non-citizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The Boulder County Housing Authority will make a copy of the individual's INS documentation and place the copy in the file. The Boulder County Housing Authority also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the Boulder County Housing Authority will mail information to the INS so a manual check can be made of INS records.

Non-citizen students on student visas, though in the country legally, are not eligible to be admitted to the Section 8 Program.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the family causes the delay.

If the Boulder County Housing Authority determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.

10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member who has a Social Security Number must provide verification of his or her Social Security Number. New family members must provide this verification prior to being added to the lease.



The best verification of the Social Security Number is the original Social Security card. If the card is not available, the Boulder County Housing Authority will accept letters from Social Security that establishes and states the number. If applicable, the Boulder County Housing Authority will verify Social Security numbers in Tenant Assessment Sub System. Documentation from other governmental agencies will also be accepted that establish and state the number. Driver's license, military ID, passports, or other official documents that establish and state the number are also acceptable.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided.

If a member of a tenant family indicates they have a Social Security Number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to 14 days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated.

10.5 TIMING OF VERIFICATION

Verification must be dated within 90 days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Authority will verify and update only those elements reported to have changed.

10.6 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible non-citizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their status will be verified.

For each family member age 6 and above, verification of Social Security Number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination. Likewise, when a child turns six, their verification will be obtained at the next regular reexamination.



ATTACHMENT B

Boulder County Collaborative CDBG-DR IRS FORM 1040/AGI Calculation Method Policy and Procedures

PURPOSE

The Boulder County Collaborative (BCC) comprised of the city of Boulder, town of Jamestown, city of Lafayette, city of Longmont, town of Lyons, town of Nederland, and Boulder County will be administering disaster recovery assistance to households within Boulder County using Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD). Where household income determination is a requirement for program eligibility, the BCC will use the 1040 method in accordance with the *Technical Guide for Determining Income and Allowances for the HOME Program*, Third Edition, January, 2005. The IRS Form 1040 method of calculating income is often referred to as the Adjusted Gross Income or AGI method.

DEFINITION

IRS Form 1040 Adjusted Gross Income: Citizens of the United States and resident aliens, except those with gross incomes that fall below a certain level, are required to file an income tax return with the Department of the Treasury's Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The definition of adjusted gross income is based on this form, also commonly referred to as "the long form."

The Adjusted Gross Income (AGI) is listed on the 1040 tax form and is the dollar figure used to determine an applicant's income eligibility for participation in the BCC Programs.

The definition of adjusted gross income is based on the Internal Revenue Service (IRS) Form 1040 "long form". Under the HOME regulations, the 1040 EZ "short form" may not be used to determine applicant eligibility. However, CDBG Programs use the IRS definition of annual income in different ways from HOME, for example:

- CDBG does not require use of the long form.
- CDBG allows tax returns as proof of income.
- Documentation for CDBG income qualification can be up to 12 months old¹.

¹ *Technical Guide for Determining Income and Allowances for the HOME Program*, Third Edition, January 2005



Note: The BCC requires a 12 month re-certification of income as accepted by CDBG rather than 6 months as required by the HOME program.

VERIFYING INCOME

The BCC will allow and use the most current 1040 or 1040A or the 1040 EZ to determine household income. As of the most recent publication of the HUD income limits, the 2015 HUD Income Limits will be used to determine 2015 income eligibility. These income limits will remain in effect until HUD issues the 2016 Income Limits. If an applicant has already completed an income determination prior to the new HUD income limits being published, then the income determination will stand under the income year that the determination is made. If it has been twelve months (1 year) since the income determination was made, but there has not been an award, then the income will have to be re-verified.

If an applicant is still in the process of providing the documentation for an income determination but documentation is not complete and no income determination has been made at the time the income limits change, then the applicant will be qualified under the new HUD limits.

Annually, income limits will be based on the most recent HUD published income limits. Additionally, the request for 1040 tax returns will be required as follows:

- Starting July 1, 2015, the programs will request tax documentation filed for the 2014 tax year. The documentation will include the 2014 Federal 1040 or documentation showing a request for an extension to file the 2014 taxes with a certification from household members that income has not changed since the previous year’s tax return.
- From January 1, 2016 to April 15, 2016, homeowners can submit a 2015 Federal 1040 or the 2014 Federal 1040.
- On April 16, 2016, the programs will request 2015 Federal 1040 or documentation showing a request for an extension to file 2015 taxes with a certification from household members that income has not changed since the previous year’s tax return.

The following schedule is used when requesting the most current IRS 1040 Tax Return:

Certification Period	1040 Tax Return	Alternate 1040 Tax Return
After 04/16/15 until 12/31/15	2014	2013 + Extension + Certification
Between 1/1/16 – 4/15/16	2014	2015
After 4/16/16	2015	2014 + Extension + Certification

BCC will validate income at the time of application; however, additional income verification adjustments may occur at any time as a result of life changing events such as the loss of a job or death in the family. Upon submission of their IRS 1040 Tax Return, each household will be required to certify that their current annual income is substantially similar to that reflected on



the document. For the purposes of this policy, the household's income must still be within 20% of the income reported on the 1040 tax form. If the applicant's income has changed by more than 20% from last tax filing, the program will then follow the same process to determine household income as stated below for persons lacking 1040 documentation.

HOUSEHOLD SIZE

In determining the size of a household for the purposes of reporting income as part of this Program, the United States Department of Housing and Urban Development ("HUD") considers all persons who live in the same house to be household members. The household members may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share the same house. In order to determine income eligibility, income must be provided for each person in the household who is 18 years or older.

NON-HOUSEHOLD MEMBERS

Some households may include persons who are not considered as members of the household for the purposes of determining household size. The following persons should not be counted as household members when determining household size, and should not be included when reporting annual household income. The persons not considered as part of the household include:

- foster children
- foster aides
- live-in aides, and children of live-in aides
- unborn children (not considered in household size for income eligibility calculation but are considered for bedroom count)
- children being pursued for legal custody or adoption who are not currently living in the household

A child who lives in the house at least 50% of the time and is named in a shared-custody agreement can be counted in the household. Applicants have the option to include permanently absent family members who can be classified as household dependents, such as children attending college or a family member in a nursing home. The head of household has the choice of either counting that person as a member of the household and including their income or determining that the person is no longer a member of the household.

HOUSEHOLD INCOME CALCULATION METHOD

In all cases where the applicant provides or can produce a 1040 tax return, the HUD 1040 income calculator method will always be used to determine income. If there is not a 1040 tax form for one or all household members and all efforts are exhausted to obtain the tax return, then BCC will alternatively use the Households Without 1040 Documentation form to calculate income. This form will only be utilized when the applicant is not required to file or in those rare occasions where the applicant is unable to file a tax return. Therefore, the HUD 1040 income calculator will be used to determine income for all applicants who filed or will file and can file 1040 tax returns.



Copies of the applicant's 1040 tax form must be provided to the program along with verification that the taxes were actually filed. This can include:

- 1040 transcript of tax return
- proof of refund received that matches the 1040
- proof of taxes paid that match the 1040

When the applicant says they have filed their taxes but do not have proof, the program may request the applicant to obtain a copy of their 1040 transcript. Persons who have filed and do not provide proof of filing may be determined ineligible for the program.

CDBG-DR ELIGIBILITY PRIORITIES

Income determinations following this policy will be used by the BCC participants to assist with prioritizing applicants along with other factors specified by the individual municipality implementing each program. The BCC has determined that all income will be determined following this policy but the income determinations may be used in other processes for awarding assistance to households.

INCOME CALCULATOR

The BCC will use HUD's on-line calculator to complete the 1040 Method of income determination. The calculator can be found on HUD's website at:
<https://www.hudexchange.info/incomecalculator>

The BCC will follow the HUD manual for procedures in completing the 1040 income calculator. See attachment A for the manual. The manual explains the process for completing the on-line worksheet. There are certain pages from the calculator to be printed out for the applicant file. These pages are noted in the calculator.

After making every effort to work with the applicant to obtain a 1040, if it is determined that the 1040 cannot be obtained without undue hardship to the applicant, the BCC will use the alternate income calculator to determine the household income.

The income documentation needed if no 1040 was filed or if the income situation has changed since the 1040 was filed then the following documents will be required from all persons living in the household that is 18 or older:

- 6 current and consecutive check stubs unless paid monthly, then only 3 concurrent and consecutive stubs required.
- To project for annual income, the gross amount of pay is taken from each pay stub, then added together and divided by the number of stubs. This is the average amount of pay that should then be multiplied by the applicable pay period. See below:



1. Persons getting paid weekly are paid 52 weeks a year
 2. Persons getting paid bi-weekly are paid 26 weeks a year
 3. Persons getting paid bi-monthly are paid 24 weeks a year
- Pension Statement showing current monthly or yearly gross amount
 - Social Security Statement or 1099
 - Unemployment Statement
 - Certification of Zero Income Form
 - Complete the HUD Income Calculator