

# **RENTAL HOMES FOR FUTURE HOMEBUYERS**

## **MANAGEMENT AND ADMISSION POLICIES**

### **BLOOMINGTON HOUSING AND REDEVELOPMENT AUTHORITY**

**April 2025**



The Housing and Redevelopment Authority in and for the City of Bloomington (HRA) does not discriminate on the basis of race, color, sex, national origin, age, or disability in the admission or access to, or treatment or employment in, its services, programs or activities. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all HRA services, programs and activities.

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## **I. INTRODUCTION**

The Bloomington Housing and Redevelopment Authority (HRA) owns and manages rental housing for lower-income households. The following document sets forth management procedures and admission policies for the administration and selection of residents for housing units owned and operated by the HRA under the Rental Homes for Future Homebuyers (Rental Homes) Program. This program aims to offer affordable rent to support a pathway to homeownership.

## **II. APPLICATIONS/WAITING LISTS**

### **A. Outreach to Families**

Housing assistance under the Rental Homes program will be granted without regard to race, color, religion, sex, age, national origin, marital, familial, disability status, or status on public assistance.

The HRA will utilize a targeted marketing strategy to inform the outreach process. Outreach will be conducted in such a manner as to ensure that the resident body within units owned and operated by the HRA is representative of families within the HRA's jurisdiction. The HRA will also encourage Bloomington business employers to notify their employees when applications are being accepted. Efforts will also be made to contact social service agencies whose clients are involved in job training programs. Promotion will include marketing to households participating in Bloomington-sponsored homeownership education opportunities. By placing households, working toward homeownership, on the program we aid not only the client but the financial stability of the program over time. As their incomes increase their rental contribution will increase but the rent will remain affordable.

### **B. Applications**

Prior to 2024, the HRA operated a waiting list for the Rental Homes program. Policies associated with the management of this waiting list are available in Appendix C.

The application procedure begins with the advertisement of the program, this may include advertising in local papers, webpage updates, mailings, postings to social media, or additional outreach methods listed above. Interested families may complete an application online via the HRA portal. If a deadline for returning completed applications is established, any applications returned after the deadline will be determined ineligible. Returned applications are reviewed to determine whether the household qualifies as a family, is income-eligible, and qualifies for the bedroom size advertised.

The HRA will publish application opportunities when a unit in the program becomes vacant. The HRA will accept applications from all interested persons during a designated application period. Once the application period is closed, the HRA will screen for initial program eligibility. A lottery will be conducted to select eligible households. The HRA will inform each applicant if they have been selected or not.

### **C. Resident Selection**

As mentioned previously, applications are reviewed to determine the family's qualifications under three categories: Definition of family; income eligibility; and appropriateness for unit size. These three criteria are described below:

#### **1. Definition of a Family**

Six or fewer adults, or any number of adults who are all related to each other by blood, marriage, guardianship, or domestic partnership, as recognized in Minnesota Law, together with minor children in their care, living as a single housekeeping unit.

#### **2. Income Requirements Upon Admission**

The applicant must provide adequate information on their application to show that their income meets the minimum gross household income for the program. An income-qualified family will meet the definition of a low-income family (as defined by HUD) according to family size and has an income at or below 60 percent and not greater than 80 percent of the median family income for the metropolitan statistical area (MSA). Income limits for eligibility are established by HUD on an annual basis for the HRA's area of jurisdiction and can be found on [HUD's website](#).

No verification of income is required at the time of application. The HRA will make a final determination at the time the applicant is invited to enter into a lease agreement. However, the HRA reserves the right to request an applicant to provide this if necessary to determine initial eligibility.

Annual income is the anticipated total annual income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family who is not a minor. This includes the income of full-time students 18 years of age and older.

The income of a family member confined to a nursing home or hospital on a long-term basis will not be included, nor will any deductions be allowed for that person. The family member's name will then be removed from the lease. For a complete definition of income, see Appendix A.

#### **3. Appropriateness of Unit Size**

To be eligible for selection, the applicant household must not be larger or smaller than the occupancy standards established by the HRA for the unit size for which the applications are taken.

The HRA will make a reasonable effort to ensure that dwellings are assigned so that no persons of opposite sexes, other than head and co-head, will occupy the same bedroom. In addition, persons of different generations, persons of the opposite sex (other than spouses) and unrelated adults would not be required to share a bedroom. The family may choose to use the home's bedrooms as they determine meets their needs.

The following standards will determine the number of bedrooms required to accommodate a family of a given size.

<u>Number of Bedrooms</u>	<u>Number of Persons</u>	
	<u>Min</u>	<u>Max</u>
2	2	4
3	3	6

If a family's size or composition changes requiring a lesser or greater number of bedrooms necessary to provide decent, safe, sanitary housing, the HRA may require the family move from the home and not renew the lease.

**F. Notification of Ineligibility**

Any applicant determined ineligible shall be notified in writing as to the reasons for the determination. An applicant may request a review of the determination. A description of the grievance process is contained in Appendix B.

**G. Briefing**

Briefing appointments will be set up with the household to update an application, verify eligibility, explain program procedures and policies, review resident responsibilities, determine total resident payment and provide information on other services available to the family.

**H. Verification**

Prior to admission to the program, verification of income, assets, medical expenses, child care costs, disability, handicap or student status, and qualification for Local Preferences (if applicable) is required. Disclosure of Social Security numbers is required for all family members if they have been issued one.

Applicants shall be required to furnish proof of any information listed on the application when requested by the HRA. The applicant's signature on the program application will serve as verification of family composition and residence. The HRA reserves the right to request the applicant complete a new application form if at least 90 days have elapsed since the original application or if family circumstances warrant an updated application.

Third party or independent verification will be used whenever possible to determine anticipated family income, assets, child care costs, disability, handicap or student status. If independent verification is not possible, income can be verified with a minimum of three (3) recent paystubs with year-to-date earnings. Asset verification can include copies of bank statements, dividend notices, and contracts for deed. Medical expenses can be documented with receipts, pharmacy printouts, or insurance statements. Letters of documentation from consulting physicians or rehabilitation consultants will be acceptable verification of disability or handicap status.

#### **I. Resident Selection - Additional Criteria\Verifications**

In addition to determining resident qualification with respect to income, household size and local preferences, residents will also be selected with respect to their ability to meet the financial and social obligations inherent in renting property. Information will be collected which could reasonably indicate that the prospective resident would not adversely affect the surrounding neighbors, the leased unit, or the financial stability of the rental housing program.

Relevant information which may determine a resident's suitability may include but is not limited to the following:

- An applicant's past performance in meeting financial obligations, especially rent payments.
- A record of disturbance of neighbors, destruction of property or living and housekeeping habits at prior residences which adversely affect the health or safety of residents.
- A history of criminal activity involving crimes of a physical nature to persons or property or other criminal acts which would adversely affect the health and safety of residents.
- A record of lease violations or violations of Federal or State Housing Programs and/or excessive damage to prior residences.
- A history of alcohol or drug abuse which would likely result in conduct detrimental to the unit.

Incidents of domestic violence, dating violence, sexual assault or stalking will not be the basis for denial of admission or other adverse action against the victim of the incident except as permitted by applicable law.

In the event unfavorable information is received with respect to an applicant, consideration shall be given to the time, nature and extent of the applicant's conduct, factors which indicate favorable future conduct or financial prospects may be considered.

Any applicant denied admission shall be notified by the HRA in writing. The letter will state the reasons for denial and the applicant's right to request an informal hearing as specified in Appendix B.

The following Information and sources will be used, when appropriate, to determine whether an applicant is qualified.

- Credit reports
- Information from rental screening
- References from current and past landlords
- Home visits
- Police reports or records
- Employers
- Social workers
- Other PHAs/HRAs
- Physicians

Failure of an applicant to sign appropriate release forms necessary to conduct verifications will be grounds for denial to the program.

#### **J. Program Information**

Information packets and other helpful materials will be given to the family at the briefing session. Included in this information is a resident handbook.

The HRA will provide interpreter services free of charge to all families that request an interpreter, or who appear to lack comprehension of the Program. Information on other social services, such as employment training opportunities or area day care providers, will be provided. Referrals will be made at the applicant's request.

Obligations of the family under the Program will be clearly reviewed with the family and included in the information packet. A family participating in the HRA program must:

- Supply any income information, certification, release or documentation which the HRA determines necessary in the administration of the program. This information may be used for a regularly scheduled or interim reexamination of family income and composition in accordance with program requirements,



- Allow the HRA or their agent to inspect the dwelling, unit at reasonable times and after reasonable notice,
- Provide proper notice to the HRA or their agent before vacating the dwelling unit,
- Use the dwelling unit solely for residence by the family, and as the family's principal place of residence,
- Not engage in drug-related criminal activity or violent criminal activity, including criminal activity by any family member, including possession or use of illegal drugs by residents or visitors,
  - Violent criminal activity*, is defined 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
- Pay rent when due,
- Pay utilities identified as the responsibility of the resident in the lease,
- Maintain proper care of the unit,
- Not change locks without management approval,
- Conduct seasonal maintenance, i.e., lawn mowing and snow shoveling,
- Meet all the terms and conditions set forth in the lease,
- Meet terms and conditions of the program's Contract of Participation and Annual Training and Services Goal Plan,
- Comply with other requirements of the applicant set forth in the lease, which will be thoroughly reviewed with the applicant (this document is incorporated by reference in the lease document),
- Follow all rules and regulations set forth in the Resident Handbook.

A violation of any of the family obligations listed above or terms of the lease is grounds for the HRA to terminate assistance.

#### **E. Determination of Resident Rent**

If an applicant family is determined to be eligible, an adjusted annual income is used to calculate the Total Resident Payment (TRP) and Tenant Rent. The adjusted income equals the annual income less:

- \$480 for each dependent. A dependent is defined as a member of the family (excluding foster children) and other than the family head or spouse, who is under 18 years of age, is a disabled person as defined on page 3, or 18 years of age or over and also a full-time student. A full-time student is one who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a secondary or vocational school with a diploma or Certificate program, as well as an institution offering a college degree.
- \$400 for any elderly, handicapped or disabled family. These household types are defined on pages 2 and 3.
- Disability Assistance Expense, which is reasonable expenses in excess of three percent of Annual Income for care attendants and “auxiliary apparatus” if such expenses enable a family member to work and do not exceed the earned income of the household members enabled to work, provided the expenses are neither paid to a member of the family nor reimbursed by an outside source.
- Child Care Expenses, which is the amount anticipated to be paid by the family for the care of children under 13 years of age, and only where such care is necessary to enable a family member to be gainfully employed or to further his/her education, and only such amounts that are not reimbursed through other sources. In cases where weekly child care expenses are different for the school year and school vacations, annual calculations will be based on thirty-nine (39) weeks for the school year and thirteen (13) weeks of school vacation. In cases where child care expenses are on a per month basis, the calculations will be based on a nine (9) month school year and three (3) months school vacation. No child care will be allowed if a parent is home. If a parent is at home, proof of inability of the parent to provide daycare must be verified by a doctor’s statement.

Once the Tenant Rent is established it will remain in effect until the next scheduled reexamination or until circumstances occur, such as a change in regulations or family income that warrants an interim rent and/or income review. Interim changes and annual reexaminations are further discussed in Section V.(C).

The Utility Allowance included in the TRP is based on an average monthly cost of utilities not included in the rent but is the responsibility of the family occupying the assisted unit. The HRA has established schedules of allowances for each unit type and bedroom size of leased housing. The Utility Allowance shall be established each year.

The Total Resident Payment (TRP) is calculated from the family's adjusted income. Thirty (30) percent of the monthly adjusted income is the family's Total Resident Payment. However, TRP may not be less than the established base rent as defined in Section V(E).

**F. Unit Inspections**

An initial move-in inspection will be conducted so that a record of condition of the unit may be established at the time of move-in. At the time of the inspection a review of housekeeping and maintenance items specific to the house will be conducted with the resident. Information contained in the resident handbook will be reviewed with the applicant. Annual Rental Licensing inspections are completed on the unit to guarantee the property is complying with City health and safety standards, proper notice of entry will be given ahead of the annual rental licensing inspection.

**G. Contract of Participation**

All residents of this HRA program will be required to enter a Contract of Participation (Contract). The purpose of the Contract is to set forth a plan for the resident family which will lead to increased self-reliance and homeownership. This Contract will be incorporated as part of the lease.

A caseworker will assist the resident in developing an annual goal plan. This plan will be reviewed and updated annually at the recertification appointment.

**H. Annual Reexamination Appointment**

Families generally are required to participate in an annual reexamination appointment, which must be attended by the head of household. Notification of annual reexamination appointments will be sent by email and will contain the date, time, and location. In addition, it will inform the family of the information and documentation that must be brought to the appointment.

If the family is unable to attend a scheduled appointment, the family should contact the HRA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled appointment, the HRA will send a second notification with a new appointment date and time.

An advocate, interpreter, or other assistant may assist the family in the interview process.

**1. Discussion items covered at the annual reexamination appointment**

The following items are discussed at the annual reexamination appointment:

- Develop annual goal plan
- Review of rent calculation
- Review of Contract of Participation

- Review the lease document
- Review of Escrow Balance
- Maintenance reminders

#### **IV. LEASING**

Prior to admission, a lease shall be signed by the family head and, if applicable, the other adult members of the household (jointly) and executed by the HRA or its agent.

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

Notices of Rent Adjustments which are issued to amend the dwelling lease need only be signed by the HRA.

Any modifications of the lease must be accomplished by a written rider to the lease signed by both parties.

Special charges related to utilities and maintenance will be outlined in the lease agreement.

##### **A. Security Deposits**

Families are responsible for paying the security deposit at the time the lease is signed and any required utility deposits. Security deposits will be an amount equal to the HRA's established base rent.

The HRA shall refund the full amount or the unused balance of the security deposit, plus interest as prescribed by state law if the following conditions exist:

- there is no unpaid rent or other charges owed to the HRA,
- the home and all equipment are left clean and all trash and debris have been removed by the resident,
- there is no excess breakage or damage which is not due to normal wear and tear,
- all keys issued to the resident have been returned to the HRA,

The deposit amount, plus interest must be returned to the family within 21 days of the end of tenancy. If all or part of the security deposit is kept by the HRA, a written explanation must be sent within 21 days as to why it was kept.

#### **V. ONGOING OCCUPANCY**

##### **A. Reexaminations**

A determination of a resident's continuing eligibility will be done at least annually. This process will begin at least 60 days before the anniversary date of the lease. The annual reexamination

process will include an evaluation of income, family circumstances and composition, and child care expenses. Computation of the new Total Resident Payment, and Tenant Rent will be made if applicable.

If family circumstances are such that it is not feasible to anticipate a level of income over a twelve-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period. .

#### **B. Interim Reviews**

Interim reviews will be conducted when a family reports a change that would lower the family's TRP. An interim rent review resulting in a decrease in Total Resident Payment will be effective the first day of the following month. Written notice of the redetermination will be sent to the family. An increase need only be reported at the time of recertification.

#### **C. Rent Collection Policy**

Rents are due by/on the first day of the month. Any payments received after the fifth day of the month will be assessed a late fee of 8% of the unpaid rent for that month. On the tenth day of the month a 14-day Pay or Quit Notice will be given. A resident may set up an appointment for an informal hearing in accordance with the HRA's Grievance Procedures.

After the fourteenth day as identified by the Pay or Quit Notice, an unlawful detainer action may be initiated.

Receipt of a Non-Sufficient Funds (NSF) check will be considered non-payment of rent and the procedures outlined above will apply. A late fee of 8% of the unpaid rent and a \$25.00 NSF charge will be assessed.

A Termination Notice for a chronic pattern of delinquent rent may be sent to all residents whose rent has not been paid in full by the 10th day of the month for three consecutive -months.

Residents with more than four incidents of late rent in a year may be subject to termination.

#### **D. Absent Family Members**

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent:

Generally an individual who is or is expected to be absent from the unit for 90 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 90 consecutive days is considered *permanently absent* and no longer a family member. Exceptions to this general policy are discussed below.

#### Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member for twelve months from the first recertification upon becoming a full time student. If the student continues to live away from home at the time of the second recertification, they will no longer be considered a household member.

#### Absences Due to Placement in Foster Care:

Children temporarily absent from the home as a result of placement in foster care are considered members of the family. If a child has been placed in foster care, the HRA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

#### Absent Head, Spouse, or Cohead:

An employed head, spouse, or cohead absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member, if the unit remains the primary residence for the individual.

#### Family Members Permanently Confined for Medical Reasons:

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted. An individual confined to a nursing home or hospital on a permanent basis is not considered a family member. The HRA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the HRA will consider, any additional documentation or evidence.

### **E. Base Rent/Homebuyer Assistance Escrow Account**

A minimum base rent shall be established on an annual basis. The base rent for new move-ins will be set at the 50% AMI rent limit for a 3-bedroom unit as established by the Metropolitan Council. Subsequent increases to the rent for the household will be set at either the lesser of a 5% increase from the prior year or up to the new move-in rent limit. The HRA may adjust the base rent within this range at any time, and the HRA Administrator may elect to implement a smaller increase if needed. A rent increase over 5% will require HRA Board approval. Any base rent increase will be effective after a 60 day notice period for existing residents or at initial lease for new residents. Resident will be required to pay the base rent or 30% of their adjusted gross income, whichever is higher.

Residents whose rental payments exceed the base rent will participate in the HRA's Homeownership Program. Participants in this program will have the amount of rent they contribute which exceeds the base rent placed into an escrow account. The money plus accumulated interest may only be used by the participant as a down payment, or other costs directly related to the future purchase of a home. The participant must use these funds within one year of the date which the family no longer participates in the Rental Home Program. Any unused funds will be retained by the HRA as rent payments. The Bloomington HRA will require a copy of the purchase agreement and will need the name, address and tax id number for the closing company. The Bloomington HRA may also request the settlement statement, truth-in-lending statement, mortgage note, and mortgage or deed of trust and/or other documents related to the purchase before escrow funds may be released.

#### F. Financial Hardships Affecting Base Rent

The financial hardship exemption applies to families who, based on their income calculation, are only paying the base rent, and experience an extenuating circumstance where their household income falls to zero. If a family's income calculation results in total rent that is higher than the minimum rent, the family is not eligible for a hardship exemption. If the HRA determines that a hardship exists, the family can utilize any existing escrow balance to cover rent and utility payments.

Financial Hardship includes the following situations:

1. Family income has decreased to zero because of changed family circumstances, including loss of employment and the family is at risk of eviction because it is unable to pay any of the base rent. 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 and otherwise be in good standing under the program.
2. A death has occurred in the family. To qualify under this provision, a family must describe how the death has created a family hardship.
3. The family has experienced other circumstances determined by the HRA Administrator.

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 base rent. Additionally, the request must document the steps the household has taken to seek out other support to cover ongoing rent and utility charges (examples include emergency rent assistance, short- and long-term disability, unemployment, MFIP, etc). The HRA will determine hardship within 30 calendar days.

#### Determination of Hardship

The HRA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

*Temporary hardship* is a hardship expected to last 90 days or less.

*Long-term hardship* is defined as a hardship expected to last more than 90 days and the family has demonstrated they have exhausted all other forms of assistance to cover their rent and utility costs.

**No Financial Hardship:** If the HRA determines there is no financial hardship, the use of escrow savings for rent payments will not be permitted.

**Temporary Hardship:** If the HRA determines that a qualifying financial hardship is temporary, the household is not eligible to utilize the use of escrow savings for rent payments. The family can enter into a repayment agreement to repay any past-due rent and utilities.

**Long-Term Hardship:** If the HRA determines that the financial hardship is long-term, the HRA will permit a household to access their escrow savings to cover ongoing rent expenses. The exemption will apply from the first of the month following the HRA's determination of hardship and the end of the qualifying hardship.

The hardship period ends when any of the following circumstances apply:

1. An interim or annual re-examination is completed, and the household is no longer at zero income.
2. The family reaches the end of their 5-year program participation term.
3. The family fails to remain in good standing with program obligations or has frequent and serious lease violations.

## **VI. LEASE TERMINATIONS**

### **A. Terminations by Resident**

Residents may terminate their lease upon 60 days written notice as set forth in the lease.

### **B. Terminations by the HRA**

The lease may be terminated by the HRA at any time for any reason, or for good cause as provided below. Good cause includes, but is not limited to the following:

- non-payment of rent,
- failure to pay service charges,
- serious or repeated interference with the rights of neighbors,
- serious or repeated damage to the leased unit,
- creation of physical or health hazards,
- serious or repeated violations of the terms of the lease,
- possession of illegal substance by leased unit resident or visitor,
- violation of the Contract of Participation,
- non-payment of utilities,
- failure to maintain unit.



Incidents of domestic violence, dating violence, sexual assault or stalking will not be the basis for lease termination or other adverse action against the victim of the incident except as permitted by applicable law.

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

- At least fourteen (14) days prior to termination in the case of failure to pay rent,
- A reasonable time depending on the seriousness of the situation in the event of a threat to health and safety of other residents or HRA employees or the safety of the premises,
- At least thirty (30) days prior to termination in all other cases.

Notice of the termination shall state the reasons for the termination, inform the resident of his/her right to make a reply and to have a hearing as set forth in the Grievance Procedures.

Grievances or appeals concerning the obligations of the resident or the HRA under the provisions of the lease shall be processed and resolved in accordance with the Grievance Procedure of the HRA which is in effect at the time such grievance or appeal arises.

## **VII. SPECIAL SITUATIONS**

### **A. Training Programs**

Homeownership Education requirements:

Participation in Journey to Homeownership when offered  
HUD-Certified First-time homebuyers certification course

Residents may be required to participate in a training program for housekeeping and home care skills when requested to do so by the HRA. Training will be provided by the HRA or related social service agencies.

## **APPENDIX A**

### **DEFINITION OF INCOME AND ASSETS**

Annual income is the anticipated total income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of certification of income, exclusive of certain types of income as provided below. Income shall include but not be limited to the following:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from 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. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- Interest, dividends and other net income of any kind from real or personal property. Expenditures for amortizations of capital indebtedness shall not be used as a deduction 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 is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of \$5,000, annual Income shall include 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;
- The full amount of periodic payments 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 payment for the delayed start of a periodic payment;
- The payments in lieu of earnings, such as unemployment, worker's compensation and severance pay;
- Welfare assistance. 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 shall consist of: a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; or b) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is radically reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;

- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- All regular pay, special pay and allowances of a member of the Armed Forces;
- Any earned income tax credit to the extent it exceeds income tax liability.

Annual income does not include such temporary, non-recurring or sporadic income as the following:

- Income from employment of children, including foster children, under the age of 18 years,
- Payments received for the care of foster children,
- 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;
- Amounts received by the family that are specifically for or in reimbursement of the cost of medical expenses for any family member;
- Income of a live-in aide;
- Amounts of educational scholarships paid directly to the student or to the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
- Temporary, non-recurring or sporadic income, including gifts;
- Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the U.S. Housing Act of 1937.

Net family assets include:

The net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investment, excluding interests in Indian trust land and the equity in a housing cooperative unit or in a manufactured home in which the family resides. The value of necessary items of personal property such as furniture and automobiles shall be excluded. (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 value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.)

In determining net family assets, the HRA shall include the value of any assets disposed of by an applicant or resident 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 therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident receives important consideration not measurable in dollars terms.

## **APPENDIX B**

### **GRIEVANCE PROCEDURE Rental Homes for Future Home Buyers Housing and Redevelopment Authority in and for the City of Bloomington**

The purpose of this procedure is to provide a Participant on the Bloomington Housing and Redevelopment Authority (HRA) Rental Homes for Future Homebuyers an opportunity for an informal hearing of a decision by the HRA to terminate assistance. It is not the purpose of this hearing to review discretionary administrative determinations by the HRA. Rather, the hearing process is established to determine whether an HRA decision is in accordance with applicable laws, HUD regulations, and HRA administrative standards.

#### **Informal Hearing for Participants:**

The HRA shall give a Participant a prompt written notice of a decision affecting their status on the Program and shall state the reasons for the decision. If the Participant does not agree with the decision, an informal hearing may be requested in writing within 10 days. An opportunity for a hearing will be granted in the following cases only:

- A determination of the amount of the Total Resident Payment or Tenant Rent,
- A determination is made by the HRA that a special claim is owed by the tenant to the HRA. This includes monies paid on behalf of the tenant to a landlord for damages, unpaid rent, or vacancy loss.

The informal hearing will be conducted by persons or person designated by the HRA Administrator other than the individual who originally issued the decision or subordinate to that person.

The Participant may be represented by a lawyer or other representative at their own expense.

At the informal hearing, the HRA and the Participant will be given the opportunity to present evidence and may question any witnesses.

Following the hearing, the HRA will notify the participant in writing within 30 days, of the final decision, including a brief statement of the reason(s) for the decision.

#### **The HRA is not required to provide an informal hearing in the following cases:**

- To review discretionary administrative determinations by the HRA or to consider general policy issues or class grievances,
- A decision to deny or terminate residency.

## **APPENDIX C**

### **Waiting List Management Rental Homes for Future Home Buyers**

Prior to 2024, the HRA operated a waiting list for the Rental Homes program. This waiting list was closed for new applications. Once this waiting list is exhausted, the HRA will no longer be operating a waiting list for the Rental Homes Program and the below processes will no longer apply.

The HRA maintained a waiting list for households eligible for three-bedroom rental units. It is from these applications that the waiting list is established. Applicants were placed on the waiting list according to the date and time of application and points awarded for Local Preferences as defined herein.

If a household on the HRA's existing waiting list experiences a change in preference status they may be re-ranked. Any household wishing to be reevaluated due to a change in status must submit a request in writing. This request must include a statement describing the change in status.

The HRA will give written notice to all applicants as to their eligibility for the Program and status on the waiting list. Periodically, all households on the waiting list will be requested by email to update their applications. Those failing to respond to the request by a specified date will be removed from the waiting list.

#### **1. Local Preferences**

The HRA has established a Local Preference for its waiting list. Upon exhaustion of the waiting list, this section is no longer applicable. This preference is described below. To be eligible for the preference, an applicant family must meet at least one of the criteria below:

- Applicants who live, work or go to school in Bloomington. An applicant who is working in or who has been notified that they are hired to work in Bloomington shall be treated as a resident. A disabled applicant household member uses a Bloomington service provider is also eligible for this preference.
- Applicants already enrolled in a recognized training and counseling program designed to assist the applicant in becoming self-reliant or reduce their dependency on welfare and other assistance programs.

One point will be awarded for meeting any of the above Local Preference criteria. Applicants who qualify for a preference shall receive priority over non-preference applicants.

Within each point grouping applicants will be further ranked by the date and time of their application.

#### Local preference verification

An applicant who claims a Local Preference on their application (or any subsequent update) must provide written verification of the household's status qualifies them for a Preference. If selected due to having a Preference point, the applicant must be eligible for such a point at the time of their admission to the program and/or execution of a lease with the HRA.

If an applicant's qualification for a Local Preference has once been verified, the HRA may choose not to require the applicant to verify such qualification again. However if the HRA determines that such a long time has elapsed since verification or the HRA has reason to believe that the applicant no longer qualifies for a Preference, the HRA may request new verification.

An applicant placed on the waiting list through the normal advertising process who no longer qualifies for a Preference will be re-positioned on the waiting list according to date and order their application was received by the HRA.

## 2. Selection from the Waiting List

Families will be notified by letter when an HRA housing unit becomes available. If the family wishes to receive assistance they must respond within ten business days. If no response is received within the set time frame, a letter will be sent informing the applicant their name has been removed from the waiting list.

An applicant who is unable to receive assistance due to one of the following circumstances, may be placed back on the waiting list until circumstances allow them to move:

- Applicant unable to move for health or disability-related reasons
- Vacancy offered in different school district and applicant can verify need to remain; i.e. handicapped, special education
- Inaccessibility to employment
- Unable to terminate current lease

Any applicant who wishes not to rent the unit offered but does not have any of the mitigating circumstances mention above will be placed on the bottom of the waiting list. If the applicant is offered another unit and refuses the second unit without any of the mitigating circumstances listed above, they will be removed from the waiting list.