



400 US Highway #1, Jersey City, NJ 07306  
Tel: 201.706.4700 Fax: 201.547.6638  
[www.jerseycityha.org](http://www.jerseycityha.org)

# **JERSEY CITY HOUSING AUTHORITY**

## **2023 ANNUAL PLAN DRAFT SIGNIFICANT AMENDMENT**

**JERSEY CITY HOUSING AUTHORITY**  
**2023 ANNUAL PLAN SIGNIFICANT AMENDMENT DRAFT**  
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## Jersey City Housing Authority Property Listing

PROPERTY TYPE	SITE#	SITE NAME & AMP #	MANAGEMENT ADDRESS
Family	NJ 009-2	Marion Gardens	57 Dales Avenue
Family	NJ 009-3	Booker T. Washington	200 Colden Street
Family	NJ 009-4	Hudson Gardens	27-29 Palisade Avenue
Family	NJ 009-5	Holland Gardens	241 Sixteenth Street
Family, Senior/Disabled & Townhouse	NJ 009-8	The New Curries Woods Phases 1 - V	3 New Heckman Drive
Senior Only Designed	NJ 009-9	Berry Gardens	199 Ocean Avenue
Family	NJ 009-12	Lafayette Village	579 Grand Street
Senior Only Designed	NJ 009-13	Lafayette Senior Living Center	463 Pacific Avenue
Family	NJ 009-14	Pacific Court Townhouse	148 Bramhall Avenue
Family	NJ 009-15	Woodward Terrace	148 Bramhall Avenue
Senior Only Designed	NJ 009-16	Thomas J. Stewart	88-92 Erie Street
Family	NJ 009-17	Gloria Robinson Court Homes I	348 Duncan Avenue
Family	NJ 009-18	Barbara Place Terrace	471 Pacific Avenue
Family	NJ 009-19	Gloria Robinson Court Homes II	348 Duncan Avenue
Senior Only Designed	NJ 009-20	Ocean Point East & West	460 Ocean Avenue
Townhouses	NJ 009-21	Glennview Townhouses I	463 Pacific Avenue
Family	NJ 009-22	Gloria Robinson Court Homes III	348 Duncan Avenue
Family	NJ 009-23	Glennview Townhouses East II	463 Pacific Avenue
Family	NJ 009-24	Gloria Robinson Court Homes IV	129 Harvey Avenue
Family	NJ 009-25	Glennview Townhouses West II	463 Pacific Avenue
Senior	-----	Catherine Todd	547 Montgomery Street
Family	NJ 009-26	Mill Creek Gardens	561 Montgomery Street

**JERSEY CITY HOUSING AUTHORITY**

**2023 ANNUAL PLAN**

**SIGNIFICANT AMENDMENT**

Summary of ACOP Revisions  
(B.1 of HUD Form 50075-ST)

**HOUSING AUTHORITY OF THE CITY OF JERSEY CITY  
2023 ANNUAL PLAN SIGNIFICANT AMENDMENT**

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The following is a summary of revisions to JCHA's FY2023-2024 Admission and Continued Occupancy Policy (ACOP). These revisions are federally required of all public housing authorities (PHAs) to comply with the Housing Opportunity through Modernization Act (HOTMA) of 2016. HOTMA Section 103, which concerns over-income families in public housing, became effective on March 16, 2023, and all PHAs must fully implement written over-income policies no later than June 14, 2023, which necessitates this significant amendment to JCHA's ACOP. A complete copy of each ACOP section with redlined revisions follows this summary of changes.

**Chapter 4: Admissions**

**Section 4.2: Basic Eligibility Criteria:** Language added to codify that applicants who own real estate property suitable for occupancy are not qualified for the public housing program in accordance with section 104 of the Housing Opportunity through Modernization Act (HOTMA).

**Section 4.8: Mixed Families:** Language added to codify JCHA's compliance with HOTMA, 24 CFR 5.520(d)(1), wherein mixed families who have exceeded the over-income limit for 24 consecutive months are subject to the Over-Income Policy. (See below for a complete summary of revisions related to HOTMA under Chapter 12, Section 12.13).

**Chapter 5: Applications, Waiting List & Applicant Selection**

**Section 5.5.2: Preference:** A preference has been added for non-public housing over-income families if they once again become eligible for the public housing program and reapply to the waiting list for the public housing development where they live in accordance with 24 CFR 5.603(b).

**Section 5.6.1: Removal of Applicants from the Waiting List:** Language added in accordance with 24 CFR 5.359(a) that allows an applicant to reject a unit offer at a project for elderly or disabled persons based on close proximity to a dwelling unit in which an existing tenant keeps a common household pet. Such rejection will not have an adverse impact on their application. This provision does not apply to existing residents (24 CFR 5.359(b)).

***Note: similar language has been added to Chapter 6, Section 6.6: Good Cause for Apartment Refusal.***

**Chapter 7: Income and Adjusted Income**

**Section 7.3: Annual Income Includes and Section 7.4: Annual Income Exclusions**

These sections have been updated to confirm with Section 104 of HOTMA as follows:

- Section 104 imposes a \$100,000 asset limit for eligibility and continued assistance in a public housing program. It allows PHAs to accept a family's declaration of assets equal to or less than \$100,000 at the time of annual recertification (the limit was previously \$5,000). Further, supporting documentation is not required for assets of \$50,000 or less.
- Section 104 allows for exclusion of money in retirement or educational savings accounts from income calculations.
- Veteran's aide and attendant care as well as distributions of principal from a non-revocable trust (including Special Needs Trusts) are newly excluded from income calculations; and, in addition to state funds received to care for a disabled family member in the home, local funds and Medicaid amounts for this purpose are now excluded from income calculations.

**Chapter 8: Rent**

**Section 8.6: Choice of Rent:** Language added to comply with HOTMA, which prohibits non-public housing over-income families (NPHOI) from choice of paying flat rent, income-based rent, or pro-rated rent. NPHOI families may only pay the alternative rent as established by HOTMA (see complete summary of HOTMA changes in the section summarizing changes to chapter 12 below).

**Section 8.7: Rents and Mixed Families:** Similar to the change above, language has been added to this section in compliance with HOTMA to specify that mixed families permitted to pay alternative rent must pay the full alternative rent amount.

**Chapter 9: Verification**

**Section 9.8: Available EIV/UIV/IVT Methods of Verification:** Language revised in keeping with HOTMA, which eliminates the requirement for housing authorities to use EIV to verify resident employment and income information during interim recertifications. EIV will only be used during annual recertification.

**Chapter 10: Leasing**

**Section 10.2: Lease Execution:** The Over-Income Family Policy (see summary of this policy below in Section 12.13) has been added to the list of documents new residents will be provided along with the public housing lease at time of leasing.

**Chapter 11: Utilities**

Language added in compliance with HOTMA that utility allowance will not be provided to non-public housing over-income families (24 CFR 960.507(a)(1)(iv)).

## **Chapter 12: Continued Occupancy**

**Section 12.2: Regular Recertification:** Language added that annual and interim recertifications will not be conducted for non-public housing over-income families (NPHIO).

**Section 12.13: Over-Income Families:** The Housing Opportunity Through Modernization Act (“HOTMA”) was signed into law on July 29, 2016. Section 103 of HOTMA amends section 16(a) of the United States Housing Act of 1937 (42 U.S.C. 1437n(a); 1937 Act) and establishes an income limitation for continued occupancy in public housing, defined as 2.4x the current HUD-established income limit for a very low-income family (see <https://www.huduser.gov/portal/datasets/il.html>). The statute requires that after a family’s income has exceeded the over-income limit for two consecutive years or 24 consecutive months (the “grace period”), a public housing authority (PHA) must either terminate the family’s tenancy within six months or charge the family the alternative non-public housing rent (alternative rent). The alternative rent must equal the greater of: (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy provided for the unit.

***JCHA has elected to opt for over-income families to be allowed to remain residing in their unit and to pay the alternative rent.*** This is set forth in greater detail in JCHA’s Over-Income Family Policy in Section 12.13 of the ACOP, which matches the stand-alone “Over-Income Family Policy” lease addendum found herein. The policy explains how the over-income calculation is conducted, when families will be notified that they are over-income, the options available to over-income families, the process for their removal from the public housing program and their ability to remain in their unit as a Non-Public Housing Over-Income (NPHOI) Family that is required to pay the alternative rent and to enter in a new NPHOI lease with JCHA. A complete copy of the NPHOI lease can also be found herein.

Of note, Section 103 of HOTMA was partially implemented by HUD in 2018; however, there were several delays in the full implementation, notably due to the impact of the COVID-19 pandemic. The provisions implementing Section 103 became effective on March 16, 2023, and all PHA’s must fully implement written over-income policies no later than June 14, 2023. If implementation of this provision requires a significant amendment to the PHA’s plan, the PHA is required to complete the significant amendment process to effectuate the policy change. There are no exceptions to the income limitation on public housing program participation.

## **Chapter 15: Community Service**

Language added to codify that in accordance with HOTMA, non-public housing over-income families are not subject to community service requirements.

## HUD 50075-ST

### **Chapter 18: Lease Terminations**

**Section 18.2: Termination for Cause:** Failure of an over-income family to execute a new lease in accordance with 24 CFR 960.509 or to pay alternative rent in compliance with JCHA's Over-Income Policy and HOTMA is added as cause for termination.

### **Section 18.7: Notices**

This section has been revised to reflect JCHA's current practice of providing the resident head of household with 30-day notice of proposed termination for failure to pay rent in compliance with PIH Notice 2021-29, H 2021-06.

### **Glossary/Definitions of Terminology**

Definitions for the following terms have been added to the Glossary:

- Non-public housing over-income family
- Over-income family
- Over-income limit

**JERSEY CITY HOUSING AUTHORITY**

**2023 ANNUAL PLAN**

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Revisions to the 2023 ACOP

## CHAPTER 4: ELIGIBILITY & SUITABILITY

### 4.1 OVERVIEW

JCHA 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 by JCHA to confirm eligibility and determine the level of the family's assistance.

### 4.2 BASIC ELIGIBILITY CRITERIA

An applicant (individual or family) is potentially qualified for a public housing unit if he or she meets all of the following criteria:

1. Is a family, as defined in HUD Regulations;<sup>1</sup>
2. Has an annual income at the time of admission that either does not exceed the income limits for occupancy established by HUD, and if applicable, does not exceed the income limits established by the Internal Revenue Service (IRS) for public housing units which are also Low-Income Housing Tax Credit (LIHTC) units or for public housing homeownership developments, is within the approved income range. Income Limits are posted separately in JCHA management offices;
3. Does not own real estate property suitable for occupancy.
- ~~2.4.~~ Provides a Social Security number for all family members or can document and certify that they do not have Social Security numbers;
- ~~3.5.~~ Is a head of household in which all members of the household who receive assistance are either citizens or eligible immigrants; and
  - i. Is a head of household and each family member, who is at least 18 years of age and legally competent, shall sign one or more consent forms, or other materials necessary to complete or verify the family's eligibility for housing assistance.

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<sup>1</sup> Family – Two or more persons regularly living together, related by blood, marriage, adoption, guardianship or operation of law and will live together in JCHA housing; OR two or more persons who are not so related, but are regularly living together, can verify shared income or resources, and will live together in JCHA housing. The term family also includes: elderly family, disabled family, single persons, a foster care arrangement, or a kinship care arrangement. Other persons, including members temporarily absent, may be considered a part of the applicant family's household if they are living or will live regularly with the family. Live-in aides are considered part of the applicant's household; however, live-in aides are not considered family members and have no right of tenancy.

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Meeting the above eligibility requirements does NOT in itself entitle an applicant to public housing eligibility with the JCHA. All applicants must meet the Applicant Selection criteria, which are used to determine if an applicant will make a suitable tenant, as stated in other provisions in this Section and in other relevant sections of the ACOP.

### 4.8 MIXED FAMILIES

Families that include eligible and ineligible individuals are considered mixed families. The housing assistance for these families will be prorated.

Once a mixed family has exceeded the over-income limit for 24 consecutive months, the family will either have their tenancy terminated or they must pay the alternative rent as a non-public housing over-income family. The JCHA has adopted a non-termination policy for over-income families. See Section 12.13 herein regarding over-income families generally. Mixed families will be subject to this general rule, and the mixed family shall be permitted to pay the alternative rent pursuant to 24 CFR 5.520(d)(1). The mixed family must not receive prorated assistance. Instead, the family must pay the full alternative rent amount.

## CHAPTER 5: APPLICATIONS, WAITING LIST & APPLICANT SELECTION

### 5.5 PREFERENCES

Consistent with the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”), the JCHA is committed to the goal of achieving a greater range of income mix within all of its developments. A very high proportion of JCHA residents are very low-income families. The JCHA will apply its “local preferences” to provide for deconcentration of poverty and for income mixing as encouraged under the QHWRA and in accordance with JCHA Strategic Goals & Annual Plans.

#### 5.5.1 Local Preference Definitions

The JCHA Applicant Selection Department is responsible for ensuring that all selections based on Local Preferences are done fairly and within the general parameters of the provisions of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Within all Local Preference categories for JCHA-owned family sites, the following definitions will apply:

- A “Victim of a Federally-Declared Disaster” is defined as a person residing in an area where the President has declared that a major disaster or emergency exists, thus activating an array of Federal Programs to assist in the response and recovery effort and as a result the Victim is without permanent housing.
- A “Jersey City resident” is defined as an applicant who lives, works or has been hired to work in Jersey City.
- A “Veteran” is defined as an applicant who has completed at least 90 days of active duty (except veterans discharged earlier for a service-connected disability) in the United States Armed Forces and has a discharge other than dishonorable. This veteran status extends to spouses, widows, widowers and parents of the military killed during a time of war and certain merchant seamen who served in active, ocean-going service from December 7, 1941 through August 15, 1945.
- A “Victim/Witness” is defined as a person who witnessed and provides information or testimony on criminal activity to a law enforcement agency, and based on a threat assessment, the law enforcement agency recommends re-housing the family to avoid reprisals.
- A “Victim of Domestic Violence” includes “dating violence” and “stalking” and is defined as an individual who was subjected to felony or misdemeanor crimes of violence committed by a person with whom the victim has or had a relationship as defined by

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Section 40002 (a)(6), (a)(8), and (a)(24) of the Violence Against Women and Justice Department Reauthorization Act of 2005.

- “Income Mixing,” for the purpose of deconcentration and targeting higher income households is defined in this Section as: 40% of applicants with household incomes between 0% - 30% of the area median income (AMI); 30% of applicants with household incomes between 31% - 50% of the AMI, and; 30% of applicants with household incomes between 51% - 80% of the AMI. Not less than 40% of the units that become available per the PHA fiscal year must be made available for occupancy by extremely low-income families.

### 5.5.2 Preference

Applicants are selected based on their meeting the qualifications for one of the Local Preferences listed below. The Applicant Selection Dept. monitors the site-based waiting lists to ensure that placements Authority-wide follow the below preferences:

1. Victims of a Federally Declared Disaster
2. Jersey City Resident/Income Mixing
3. Jersey City Resident/Victim Witness or Victim of Domestic Violence
4. Jersey City Resident/Veterans
5. Jersey City Resident
6. Other

Within the Revised preferences, individuals/families requiring a wheelchair accessible unit are offered a vacant wheelchair accessible unit by the appropriate bedroom size before individuals/families that do not require a wheelchair accessible unit.

In accordance with HUD regulations, the JCHA is required to fill 40% of annual vacancies with applicants whose family income is less than 30% of the area median income. Therefore, the JCHA will continue to assist very low-income families, elderly and disabled individuals and families.

Based on previous experience, the JCHA believes that income mixing will yield the 40% of new admissions being applicants whose income is less than 30% of median income, as required under the QHWRA. If the described deconcentration policies and procedures do not achieve the required percentage of extremely low-income families, the JCHA will skip higher income families on the waiting list to reach extremely low-income families.

#### **Preference For Non-Public Housing Over-Income Families**

As defined in 24 CFR 960.206 (b)(6) a Non-Public Housing Over Income family, remaining in their apartment and paying the alternative rent as defined in 12.13 herein, may-be readmitted into the public housing program if they once again become an eligible low-income family as defined in 24 CFR 5.603(b) and reapply to the public housing program. The JCHA Waiting List

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policy is amended to give that family preference on the Waiting List for their particular site. While waiting to be readmitted, the family will remain in their unit and pay the alternative rent. Upon readmission, the family will be subject to all rules and regulations guiding the JCHA public housing program.

### 5.6.1 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The JCHA will only remove an applicant's name from the waiting list under the following circumstances:

- The applicant requests in writing that his/her name be removed from the waiting list.
- The applicant does not meet either the eligibility or suitability criteria as set forth in this policy.
- The applicant has failed to respond to two (2) JCHA written or emailed communications regarding failure to comply with application update or applicant interview. If a letter is returned by the Post Office without a forwarding address, or unclaimed, the applicant will be removed without further notice, and the envelope will be maintained in the file. If the applicant did not respond due to "good cause", the JCHA will reinstate the applicant with the original date. If a letter is returned with a forwarding address, it will be forwarded to the address indicated.
- If an email is undeliverable, the applicant will be mailed a written withdrawal letter and the steps outlined above will be followed.
- The JCHA has made reasonable efforts to contact the applicant to schedule interviews necessary to complete the application process and the applicant fails to respond; or the applicant fails to respond to requests for information necessary to process the application.

Applicants who fail to keep a scheduled interview or appointment or who fail to respond to the JCHA concerning information necessary to process the application or to maintain the waiting list, will be notified in writing and via email that he/she has ten (10) working days in which to reschedule the interview, or in which to provide the requested information. Applicants who fail to respond or comply with the JCHA's requirements will be removed from the waiting list.

Consideration will be given if "good cause" exists, such as health problems, prevented an applicant from contacting the JCHA, if such is demonstrated within a reasonable period. Any decisions made to withdraw the applications of persons with disabilities are subject to "Reasonable Accommodation" considerations.

In accordance with 24 CFR 5.359(a) An applicant for tenancy in a project for the elderly or persons with disabilities may reject a unit offered by JCHA if the unit is in close proximity to a dwelling unit in which an existing tenant of the project owns or keeps a common household pet. An applicant's rejection of a unit under this section shall not adversely affect his or her application

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for tenancy in the project, including (but not limited to) his or her position on the project waiting list or qualification for any tenant selection preference.

However, per 24 CFR 5.359 (b), JCHA is not required to provide alternate dwelling units to existing residents because of the proximity of common household pets to a particular unit or the presence of such pets in the project.

If an applicant's failure to respond to the JCHA's attempts to contact him/her is related to the disability, and verification is submitted and approved by the JCHA, the application will be reinstated to its former place on the waiting list.

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## CHAPTER 6: OCCUPANCY STANDARDS & APARTMENT OFFERS

### 6.6. GOOD CAUSE FOR APARTMENT REFUSAL

If an applicant is willing to accept the unit offered but is unable to move at the time of the offer and presents “good cause” that acceptance of the offer of a suitable vacancy will result in undue hardship not related to considerations of race, color, sex, religion or national origin, the applicant will not be dropped to the bottom of the list. Examples of “good cause” for refusal of an offer include, but are not limited to:

- The unit is not ready for move-in at the time of the offer of housing. “Ready for move-in” means the unit has no Uniform Physical Conditions Standards (UPCS) deficiencies and is broom clean. If an applicant refuses a unit because it is not ready for move-in, the applicant will be offered the next unit that is ready for move-in and that has the proper size bedrooms for the household composition;
- Inaccessibility to source of employment, education, or job training, children’s day care, or educational program for children with disabilities so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities;
- A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on the final application) or live-in aide necessary to the care of the principal household member;
- The unit has lead paint and the family has children under the age of seven;
- The unit is inappropriate for the applicant’s disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move;
- An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing;
- An applicant for tenancy in a project for the elderly or persons with disabilities may reject a unit offered by a project owner if the unit is in close proximity to a dwelling unit in which an existing tenant of the project owns or keeps a common household pet (§ 5.359); or
- The JCHA has HUD-approved site-based waiting lists and the offer is not for one of the sites the applicant has selected.

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If good cause is verified, the refusal of the offer shall not require that the applicant be dropped to the bottom of the waiting list or otherwise affect the family's position on the waiting list. The JCHA will maintain a record of units offered, including location, date, and circumstance of each offer, and each acceptance or refusal, including the reason for the refusal.

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## CHAPTER 7: INCOME AND ADJUSTED INCOME

### 7.3 ANNUAL INCOME INCLUDES

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) Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- 3) are not specifically excluded from annual income.

Annual income includes but is not limited to: **(24 CFR 5.609)**

- A. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- B. 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 a reimbursement of cash or assets invested in the operation by the family.
- C. 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.

During the annual reexamination, the JCHA has the discretion to accept a family's declaration that it has total net assets equal to or less than \$5,100,000. If the family submits such a declaration of net assets at or below \$50,000, the JCHA does not need to request supporting documentation. Where the family has net family assets in excess of \$1005,000, acceptable documentation must be submitted in accordance with CFR § 5.618(b). ~~a~~Annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets

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based on the current passbook savings rate of 0.81%, as determined annually by the JCHA and in compliance with HUD regulations.

- D. 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, or funds in retirement and educational savings accounts, are excluded.) Welfare assistance, SSI and other non-earned income paid to children (under the age of 18 years) is always included in annual income.
- E. 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.)
- F. Welfare Assistance:
  - 1. If the amount of welfare (Temporary Assistance for Needy Families [TANF] or General Assistance [GA]) 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.
  - 2. 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 as income.
- G. Periodic and determinable allowances, such as alimony, child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
- H. 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.)

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;

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2. The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight-line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight-line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property;
4. If the Family has Net Family Assets in excess of \$50,000, 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. JCHA will establish its own passbook savings rate according to the guidance provided in HUD Notice PIH 2012-29. At the start of each fiscal year, JCHA will review the current Savings National Rate as calculated by the Federal Deposit Insurance Corporation (FDIC). JCHA will then establish a passbook rate by adding 75 basis points (.75 percent) to the current Savings National Rate in effect at the time. At no time will JCHA's passbook rate be less than 0 percent. JCHA will apply this policy to calculate imputed asset income consistently to all applicants and participants;
5. 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 [See #14 under Income Exclusions for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.];
6. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (See #3 under Income Exclusions concerning treatment of lump-sum additions as Family assets);
7. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member;
8. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members; and

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9. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See No. 7 under Annual Income Exclusions concerning pay for exposure to hostile fire.)
10. The Direct Express Debit card's balance is considered an asset and is treated like a savings account. Express debit cards can be verified by the asset holder obtaining a current account statement from a financial institution's Automated Teller Machine (ATM).

### 7.4 ANNUAL INCOME EXCLUSIONS

Annual income **does not** include the following:

- A. Earned 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 resident 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 are 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. The definition is amended to exclude any financial assistance received for mandatory fees and charges in addition to tuition;
- G.** The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- G-H.** **Amounts in retirement accounts and educational savings accounts;**
- H. The amounts received from the following programs are also excluded:
  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

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(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 initiatives 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 in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
  - a. Comparable Federal, State or local law means a program providing employment training and supportive services that:
    - i. Is authorized by a Federal, State or local law;
    - ii. Is funded by the Federal, State or local government;
    - iii. Is operated or administered by a public agency; and

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- iv. Has as its objective to assist participants in acquiring employment skills.
  - b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.
  - c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.
- 11. The incremental earnings due to employment during the 12-month period following date of hire shall be excluded. This exclusion (paragraph 11) will not apply for any family who concurrently is eligible for exclusion #10. Additionally, this exclusion is only available to the following families:
  - a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.
  - b. Families whose income increases during the participation of a family member in any family self-sufficiency program.
  - c. Families who are or were, within 6 months, assisted under a State TANF program.  
(While HUD regulations allow for the housing authority to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of the JCHA to provide the exclusion in all cases.)
- 12. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
- 13. 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;
- 14. Amounts received from Medicaid or other state/local programs meant to keep a family member with a disability living at home. 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

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15. 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 child care 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
  - p. Any allowance paid to a child suffering from spina bifida who is a child of a Vietnam veteran.
  - q. Any crime victim compensation as determined by the Victims of Crime Act because of a crime committed against the applicant.
  - r. Amounts earned by temporary Census employees from employment lasting less than 180 days.
  - s. Additional income exclusions provided by and funded by the JCHA (Currently the JCHA does not provide exclusions from income in addition to those already provided for by HUD.)
  - t. All IRS economic stimulus payments

- u. Kinship Care payments
- v. Veterans' aide and attendant care
- w. Distributions of principal from non-revocable trusts, including Special Needs Trusts

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## CHAPTER 8: RENT

### 8.6 CHOICE OF RENT

Once a year, JCHA will give each family the opportunity to choose between the two methods for determining the amount of tenant rent payable monthly by the family. The family may choose to pay as tenant rent either a flat rent as determined in accordance with JCHA's flat rent schedules, or an income-based rent. JCHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the resident file.

The rent choice option is not available to Non-Public Housing Over-Income families (24 CFR 960.253; see ACOP Section 12.13 Over Income Families). PHAs have no discretion when it comes to the rent for Non-Public Housing Over-Income families. Once the grace period ends, the family is given the option to remain in a public housing unit but is required to pay the alternative rent as determined in accordance with 24 CFR 960.102. Non-Public Housing Over-Income families must not be given the choice of flat rent, income-based or prorated-rent.

### 8.7 RENTS AND MIXED FAMILIES

A mixed family will receive full continuation of assistance if all of the following conditions are met:

- A. The family was receiving assistance on June 19, 1995;
- B. The family was granted continuation of assistance before November 29, 1996;
- C. The family's head or spouse has eligible immigration status; and
- D. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision, the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three (3) years. If granted after that date, the maximum period of time for assistance under the provision is eighteen (18) months. The JCHA will grant each family a period of six (6) months to find suitable affordable housing. If the family cannot find suitable affordable housing, the JCHA will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

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The methodology for calculating public housing rents for mixed families has been revised by HUD to use the established flat rent applicable to the units.

Under this rule, PHAs must complete the following steps:

Step 1. Determine the TTP in accordance with 24 CFR 5.628 including the income of any family member who has not established eligible immigration status.

Step 2. Family max rent is equal to the applicable flat rent for the unit size

Step 3. Subtract the TTP from the family max rent resulting in the family max subsidy.

Step 4. Divide the family max subsidy by the # of persons in the family to determine the max subsidy per each member who has citizenship or eligible immigration status resulting in the member max subsidy.

Step 5. Multiply the member max subsidy by the # of family members who have citizenship or eligible immigration status resulting in the eligible subsidy.

Step 6. The mixed family TTP is the max rent minus the amount of eligible subsidy.

Step 7. Subtract any applicable utility allowance from the mixed family TTP resulting in the mixed family tenant rent.

When the mixed family's TTP is greater than the max rent, the PHA must use the TTP as the mixed family TTP.

If the mixed family is permitted to pay the alternative rent then, pursuant to 24 CFR 5.520(d)(1), the mixed family must not receive prorated assistance. Instead, the family must pay the full alternative rent amount.

## CHAPTER 9: VERIFICATION

### 9.8 AVAILABLE EIV/UIV/IVT METHODS OF VERIFICATION

The JCHA may obtain income verification through the following:

- Computer matching agreements with a federal, state or local government agency or a private agency
- Or submit direct requests for income verification to a federal, state or local government agency or a private agency.

HUD has implemented its Enterprise Income Verification System (EIV), a web-based application that provides PHAs with employment, wage, unemployment compensation and social security benefits information for tenants. HUD requires PHA's to use EIV system in its entirety to verify tenant employment and income information during ~~interim and~~ mandatory reexaminations of family composition and income in accordance with 24CFR 5.233; and reduce administrative and subsidy payment errors in accordance with 24 CFR 5.236 and other administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique will be valuable in validating tenant-reported income during ~~interim and~~ annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements.

Additionally, HUD has implemented a new report that replaces the current Income Discrepancy Report under the verification reports link in the EIV. The new report is called the *Income Validation Tool (IVT) Report*. This report will facilitate and enhance public housing agencies (PHAs) identification of tenant unreported or underreported income information during ~~interim and~~ regular reexaminations. The IVT will provide projections of discrepant income for wages, unemployment compensation and Social Security Administration (SSA) benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services (HHS) using the National Directory of New Hires (NDHA) database, and the SSA.

JCHA shall begin with the highest level of verification techniques. The JCHA is required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition. If the Income Report does not contain any employment and income information for the family, the JCHA shall attempt the next lower level verification technique, as noted below.

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Level	Verification Technique	Ranking
6	<b>Upfront Income Verification (UIV)</b> using HUD's Enterprise Income Verification (EIV) system and the Income Validation Tool (IVT) (not available for income verifications of applicants)	<b>Highest</b> (Mandatory)
5	<b>Upfront Income Verification (UIV)</b> using non-HUD system	<b>Highest</b> (Optional)
4	<b>Written third Party Verification</b>	<b>High</b> Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information <b>and</b> is unable to provide acceptable documentation to support dispute)
3	<b>Written Third Party Verification Form</b>	<b>Medium-Low</b> (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	<b>Oral Third-Party Verification</b>	<b>Low</b> (Mandatory if written third party verification is not available)
1	<b>Tenant Declaration</b>	<b>Low</b> (Use as a last resort when unable to obtain any type of third-party verification)

This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

When third party verification cannot be obtained, the JCHA will accept documentation received from the applicant/resident that is dated within 60 days of re-exam effective date the JCHA request date. Hand-carried documentation will be accepted if the JCHA has been unable to obtain third party verification in a 4-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 JCHA will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

In accordance with HUD regulations, temporary provisions allow for a streamlined process for reexaminations for elderly families and disabled families on fixed incomes when 100 percent of

## JCHA ADMISSION AND CONTINUED OCCUPANCY POLICY

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the families' income consists of fixed income. In a streamlined reexamination, the JCHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

The term "fixed income" includes income from:

1. Social Security payments to include Supplemental Security Income (SSI);
2. Federal, State, local, and private pension plans;
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

In the case of VAWA victims, a **Low-barrier certification process** applies. This process enables survivors to exercise their VAWA rights through self-certification in most cases, easing the barrier of third-party validation. The final rule includes a certification form that may be used by covered housing providers.

## CHAPTER 10: LEASING

### 10.2 LEASE EXECUTION

The lease must be executed by the resident and JCHA. [24 CFR 966.4(a)(3)]

The lease and the following documents shall be signed by the head, spouse, and all other adult members of the family and by an authorized representative of JCHA, prior to actual admission. **[24 CFR § 966.4(a)(3)]**

At the time of leasing the new resident will receive a copy of JCHA Lease and the following attachments:

- a. Disclosure of Information on Lead-Based Paint & Hazards
- b. Pet Policy (if applicable)
- c. Community Service Policy or Exemption Certification
- d. Reasonable Accommodation Policy
- e. Criminal Activity Policy
- f. Smoke-Free Policy
- g. VAWA - Notice of Occupancy Rights and Certification Form (HUD-5382)
- h. Window Obstruction and Screens
- i. Authorization Release Form (HUD-9886)
- j. Enterprise Income Verification (EIV) Form
- k. Debts Owed Form (HUD-52675)
- l. Asset Certification
- m. Model Declaration of Section 214 Status
- n. Standard Maintenance Charges
- o. Housekeeping Rules
- p. Habitual Late Rent Payments as Basis for Eviction
- q. Lock/Key Policy
- r. Excess Utility Charges
- ~~r.~~ Over-Income Families Policy

If a resident transfers from one JCHA apartment to another, a new lease will be executed for the dwelling into which the family moves. [24 CFR § 966.4 (a)(ii)]

The lease must state the composition of the household as approved by JCHA (family members and any JCHA-approved live-in aide). [24 CFR 966.4(a)(1)(v)]

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to JCHA assistance. The live-in aide is only approved to live in the apartment while serving as the attendant for the participant family member.

## CHAPTER 11: UTILITIES

### 11.1 OVERVIEW

The JCHA has established, at selected sites, a Utility Allowance **for all metered and resident-paid utilities**. The allowance is based on a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the allowance, the JCHA may utilize the “Allowances for Tenant-Furnished Utilities and Other Services” reimbursement schedule published by the State of New Jersey Department of Community Affairs (DCA) and approved by the U.S. Department of Housing and Urban Development (HUD) or a utility allowance schedule based on an Energy Consumption Model in accordance with HUD regulations. The JCHA may also use a combination of these methods to obtain a realistic utility allowance schedule. The schedule is updated on an annual basis.

The utility bill must be in the name of the Head of Household. If the utilities are shut off by the utility provider for an outstanding balance owed, the JCHA will not issue a utility allowance/reimbursement until the utilities have been restored. Upon proof from the resident that the utilities have been restored, the Utility Allowance/reimbursement will resume the following month. No Utility Allowance/reimbursement will be provided during the period that utilities are shut off.

Utility Allowance revisions, based on annual updates to the “Allowance for Tenant-Furnished Utilities and Other Services” schedule, shall become effective on or about the month following the Board Resolution adopting the changes.

For JCHA paid utilities, the JCHA will monitor the utility consumption of each development. Any consumption in excess of the allowance established by the JCHA will be billed to the resident according to the JCHA Excess Utility Charge Policy. See Section 21.0 for information pertaining to mixed finance developments.

**Note: No HUD utility allowance is given to Non-Public Housing Over-Income families 24 CFR 960.507 (a)(1)(iv) (see section 12.13, Over-Income Families).**

## CHAPTER 12: CONTINUED OCCUPANCY

At least annually, the JCHA will conduct a recertification of family circumstances. The results of the recertification determine (1) whether the family is housed in the correct unit size; (2) whether the family has complied with the Community Service/Self-Sufficiency Requirement; 3) whether the family is paying the correct amount of rent; and 4) whether any adult member of the household is a Registered Sex Offender. JCHA has adopted policies concerning the conduct of annual and interim recertifications that are consistent with regulatory requirements. [24 CFR 960.257(c)] Complete verification of the circumstances applicable to rent adjustments must be documented and approved by according to JCHA policies. [24 CFR § 960.259(c)]

### 12.1 ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in this policy document
2. Live in the type of property appropriate for their family type
3. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease. **[24 CFR § 966.4(f)]**
4. Have Social Security numbers for each family member age six and over. **[24 CFR § 5.216]**
5. Meet HUD standards on citizenship or immigration status or are paying a pro-rated rent. **[24 CFR § 5.508 (b)]**
6. Are in compliance with JCHA's 8 hour per month Community service requirements.
7. Are below the over-income limit for public housing tenancy as described in Section 103 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA); if meeting the criteria for over-income, are paying the ~~rental~~ alternative rent amount as prescribed by Section 103 of HOTMA.

### 12.2 REGULAR RECERTIFICATION

Once a year, JCHA will re-examine family composition and apartment size for all resident families. JCHA will reexamine the income of families paying income-based rents once a year and once every three years for families paying flat rents.

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JCHA will maintain a reexamination tracking system, and the household will be notified by mail of the date and time for their interview at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, JCHA, to the extent reasonable and feasible, will provide notice in an accessible format. JCHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

The written notification will state which family members are required to attend the interview. The family may call to request another appointment date up to 24 hours prior to the interview. If the family does not appear for the interview and has not rescheduled or made prior arrangements with JCHA, JCHA will schedule a second appointment.

If the family fails to appear for the second appointment and has not rescheduled or made prior arrangements, JCHA will seek legal remedy to terminate the lease for non-compliance.

Note: No annual or interim recertification are to be conducted for Non-Public Housing Over-Income families.

### 12.13 OVER-INCOME FAMILIES TENANTS

#### 12.13.1 – INTRODUCTION

The Housing Opportunity Through Modernization Act (“HOTMA”) was signed into law on July 29, 2016. Section 103 of HOTMA amends section 16(a) of the United States Housing Act of 1937 (42 U.S.C. 1437n(a)) (1937 Act) and creates new limitations on tenancy and program participation for formerly income-eligible families residing in public housing with incomes over the newly created over-income limit .The statute requires that after a family’s income has exceeded the over-income limit for two consecutive years or 24 consecutive months<sup>2</sup> (the “grace period”), a public housing authority (PHA) must either terminate the family’s tenancy within six months of the final notification or charge the family the alternative non-public housing rent (alternative rent). The alternative rent must equal the greater of: (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy provided for the unit. The per unit monthly subsidy includes amounts from the Operating and Capital Funds, as defined by the new regulations at 24 CFR 960.102.

Section 103 of HOTMA was partially implemented by the U.S. Department of Housing and Urban Development (HUD) in 2018,<sup>3</sup> however, there were several delays in the full implementation.<sup>4</sup>

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<sup>2</sup> 24 CFR 960.507 (a)

<sup>3</sup> 83 FR 35490

<sup>4</sup> Due to the unprecedented challenge of the COVID-19 pandemic and the authority provided under the Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136), HUD elected to waive and establish alternative requirements for numerous statutory and regulatory requirements for the Public Housing program

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The provisions implementing Section 103 became effective on March 16, 2023, and all PHA's must fully implement written OI policies no later than June 14, 2023. If implementation of this provision requires a significant amendment to the PHA's plan, the PHA is required to complete the significant amendment process to effectuate the policy change. There are no exceptions to the income limitation on public housing program participation.

### **12.13.2 - APPLICABILITY**

Section 103 of HOTMA applies to all PHAs operating a public housing program, including Moving to Work (MTW) Agencies. There are no exceptions to the limitation on public housing tenancy for HUD assisted tenants who are determined to be over-income for 24 consecutive months. Specifically, this means that the over-income family's tenancy and participation in the public housing program must end within six months of the final over-income determination unless the PHA policy permits the family to remain in a public housing unit, in which case the family must be charged the alternative rent upon the completion of the grace period. The JCHA will permit an Over Income family to remain in their public housing unit and pay the alternative rent as defined below, or the Over Income family may decide to vacate the unit.

### **12.13.3 - SUMMARY OF ASSOCIATED REGULATORY CHANGES**

The HOTMA final rule includes the new over-income requirements and makes necessary conforming changes to existing regulation including the removal of 24 CFR 960.261. The final rule updated existing requirements in 24 CFR 5.520, 5.628, 960.102, 960.206, 960.253, 960.601, 964.125, and 966.4. All regulatory changes are summarized below in numerical order (except for the parts containing definitions). Parts 960.507, and 960.509 are new regulations specific to the implementation of the over-income requirements. These over-income requirements are now effective as of March 16, 2023, and are to be fully implemented by June 14, 2023.

- 24 CFR 5.520 – Restrictions on assistance to Noncitizens – A conforming change was made to paragraph (d)(1) of this section to clarify that a PHA must provide prorated assistance to mixed immigration status families, except as provided in 24 CFR 960.507. Once a mixed family has exceeded the over-income limit for 24 consecutive months, the family will either have their tenancy terminated or they must pay the alternative rent as a non-public housing over-income family. For a PHA with a termination policy for over-income families, mixed families will pay their current, prorated rent amount during the 6-month period before termination. If the mixed family is permitted to pay the alternative rent then, pursuant to 24 CFR 5.520(d)(1), the mixed family must not receive prorated assistance. Instead, the family must pay the full alternative rent amount.
- 5.628 – Family Payment – A new sub-paragraph was added at 24 CFR 5.628(a)(5) clarifying that the options available under the total tenant payment (TTP) now include the alternative rent (as defined in 960.102) for non-public housing over-income housing families.

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- 960.102 and 960.601 – Definitions – Additional definitions and clarifications were added to these sections to implement the new requirements found at 24 CFR 960.507 for families exceeding the over-income limit. These changes create new definitions in 24 CFR 960.102 for the following terms: alternative non-public housing rent (alternative rent), non-public housing over-income family (NPHOI family), over income family (OI family) and over-income limit (OI limit).
- 960.206 – Waiting List: Local preference in admission to public housing program – non-public housing over-income family residing in JCHA housing, and paying the alternative rent may only be readmitted into the public housing program if they once again become an eligible low-income family as defined in 24 CFR 5.603(b) and reapply to the public housing program. The family’s application will have a priority preference on the Waiting List for that particular site.
- 960.253 – Choice of Rent – Rent Options – Conforming changes have been made to paragraphs (a) and (f) of this section to clarify the choice of rent in relation to NPHOI families and the new requirements found at 960.507. Families subject to 960.507 must pay the alternative rent, as stated in 960.253(a), when they've exceeded the grace period and are allowed by PHA policy the option of remaining in a public housing unit. During the 24 consecutive month grace period, and in the 6 months before termination, the family will continue to pay their current rent choice amount (i.e., the family’s choice of income-based or flat rent, or the prorated rent for mixed families).

A conforming change has been made to paragraph (f) to clarify the exemption to the current practice of conducting a reexamination of family income every three years for a family that chooses the flat rent option. The PHA must no longer apply the three-year reexamination provision to families once the PHA determines that the family is over-income. Once a PHA determines the family is over-income, the PHA must follow the documentation and notification requirements under 960.507(c).

PHAs have no discretion when it comes to the rent for non-public housing over-income families. Once the grace period ends, and if the family is given the option to remain in a public housing unit and they choose to remain, then the family is required to pay the alternative rent as determined in accordance with 24 CFR 960.102. Non-public housing over-income families must not be given the choice of flat rent, income-based or prorated-rent.

- 964.125 – Tenant Participation and Tenant Opportunities in Public Housing – Conforming changes have been made to paragraph (a) of this section to clarify that members of a non-public housing over-income family, as described in 24 CFR 960.507, are no longer eligible to be members of a resident council. There is no PHA discretion to exempt a non-public housing over-income family member from this regulation.
- 966.4 – Public Housing Program Lease requirements – HUD made conforming changes to the lease requirements under 24 CFR 966.4 (a)(2) regarding the term of the public housing lease for PHAs that have an over-income policy requiring termination after the grace period. This change requires the public housing lease to convert to a month-to-month

term to account for the period before termination as determined by PHA policy. Lastly, the regulation at 24 CFR 966.4(l)(2)(ii) has also been revised to remove the reference to 24 CFR 960.261 as one of the grounds for termination and replaced it with a reference to 24 CFR 960.507. Paragraph (l) of this section now clarifies that being over the income limit for the program qualifies as grounds for termination pursuant to the new over-income limit provided in 24 CFR 960.507. All PHAs must update their public housing leases accordingly.

- 24 CFR 960.261 – has been deleted to remove the exception to evict or terminate the tenancy of a family solely because the family is over-income provided the family has a valid contract for participation in an FSS program under part 984 or if the family receives EID. With this final rule, HUD intends for there to be no exceptions to the HOTMA over-income provision.

### **12.13.4 - DETERMINATION OF THE OVER-INCOME LIMIT**

The ‘over-income limit’ (OI limit) is now defined at 24 CFR 960.102. The over-income limit is determined by multiplying the applicable income limit for a very low-income (VLI) family, as defined in 24 CFR 5.603(b), by a factor of 2.4, a limit equal to approximately 120% of the area median income, or AMI. The VLI varies by jurisdiction<sup>5</sup> and by family size so each PHA will have to calculate the over-income limit for each family size in their public housing program.

The over-income limit must then be compared to the family’s annual income (per 24 CFR 5.611) during an annual or interim income examination. If the family’s annual income is greater than the over-income limit, then they exceed the over-income limit for the program, and must be notified in accordance with 24 CFR 960.507(c). The OI limit is based on the family’s income and not their adjusted income which is a significant change from the guidance given in 2019-11. This change must be implemented for any annual or interim reexaminations following March 16, 2023. PHAs that require additional time to make a significant amendment to the PHA plan may delay the change to June 14, 2023. HUD updates the income limits annually. PHAs must update the over-income limits for the public housing in their ACOPs no later than 60 days after HUD publishes new income limits each year.

Step by step on how to determine if the family’s income exceeds the Over-Income Limit.

Step 1: Go to <https://www.huduser.gov/portal/datasets/il.html> and follow the instructions in Appendix II to find the Very Low Income amount for families in your jurisdiction.

Step 2: Use the following calculation to determine the Over-Income Limit: Very Low-Income limit x 2.4 = Over-Income Limit

Step 3: If the family’s annual income is greater than the Over-Income Limit, then they exceed the Over-Income Limit, and must be notified three times.

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<sup>5</sup> [https://www.huduser.gov/portal/datasets/il.html#2022\\_faq](https://www.huduser.gov/portal/datasets/il.html#2022_faq)

### 12.13.5 - NOTIFICATION REQUIREMENTS

The JCHA will notify the Over-Income family with three written notices as required in regulations 24 CFR 960.507(c)(1)- (3). The JCHA will follow the over-income notification process at 24 CFR 960.507(c) for any notices occurring after implementation of the HOTMA final rule. The notices must state that the actions that will be taken as required under JCHAs over-income policy in the ACOP and, if applicable must include the alternative rent amount.

The required notices under the final rule are as follows:

Notice 1: Provide written notice to the OI family no later than 30 days after the JCHA's initial determination, stating that the family has exceeded the over-income limit. The notice must state that:

- o The family has exceeded the over-income limit, and
- o Continuing to exceed this limit for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families in accordance with 24 CFR 960.507(d).

The notice will explain the JCHAs policy of either tenancy termination or the option of paying the alternative rent as an NPHOI family. JCHA must afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit.

Notice 2: JCHA will conduct an income examination 12 months after the initial OI determination, unless the JCHA already determined that the family's income fell below the OI limit during an interim reexamination. If the JCHA determines that the family's income has exceeded the over-income limit for 12 consecutive months, the Over-Income family must be provided written notice of this fact no later than 30 days after the determination that led to the 12-month over-income determination. JCHA must afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit.

This notice must inform the Over-Income family that they have been over income for 12 consecutive months and that continuing to exceed the over-income limit for the next 12 consecutive months will result in the family:

- a. Paying the higher alternative rent as a non-public housing over-income family; OR
- b. Having their tenancy terminated

c. Since JCHAs Over-Income Policy permits Over-Income families to remain in public housing and pay the alternative rent, this notice must also include the estimated alternative rent (based on current data).

Notice 3: If the JCHA determined that the family's income has exceeded the over-income limit for 24 consecutive months, the Over-Income family must be provided written notice of this fact no later than 30 days after the determination that led to the 24-month over-income determination. JCHA will again afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit. The amount of the alternative rent must also be stated.

This notice must inform the Over-Income family that they have been over-income for 24 consecutive months, and that their lease will automatically convert to month to month and at next lease renewal or in no more than 60 days after the date of the third and final notice per 24 CFR 960.507(c)(3), whichever is sooner, the family must:

- a. Pay the higher alternative rent, and enter into a new lease as a non-public housing over-income family, OR
- b. Be terminated from their unit in no more than 6 months.

### **12.13.6 - LIMITATION ON PUBLIC HOUSING TENANCY**

Once a family exceeds the over-income limit for 24 consecutive months,<sup>6</sup> the public housing agency must either:

1. Charge the family the Alternative Non-Public Housing Rent (alternative rent)
2. Terminate the tenancy of such family in public housing not later than 6 months after the income determination confirming that the family has been over-income for 24 consecutive months.<sup>7</sup>
  - a. Lease to convert to month-to-month term and the JCHA must charge the Over-Income families, who continue to be public housing program participants, the family's choice of income-based, flat rent, or prorated rent for mixed families during the period before termination.

### **12.13.7 - PHA POLICY TERMINATING THE TENANCY OF OVER-INCOME FAMILIES**

The Over-Income families, subject to 960.507, must pay the alternative rent, as stated in 960.253(a), when they've exceeded the grace period and are allowed by PHA policy the option of remaining in a public housing unit. During the 24 consecutive month grace period, and in the 6 months before termination of participation in the JCHA Public Housing Program, the family will continue to pay their current rent choice amount (i.e., the family's choice of income-based or flat rent, or the prorated rent for mixed families) and must continue to abide by all program

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<sup>6</sup> 24 CFR 960.507 (a)

<sup>7</sup> 24 CFR 960.507 (d)(1) and (2)

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requirements including Community Service Activities or Self-Sufficiency Work Activities (CSSR) requirements. During this time period, prior to the family's termination from the JCHA Public Housing Program, the family may request an interim reexamination. This reexamination can reduce the rent burden during the period up to termination, but a decrease in income will not enable the family to avoid termination from the program after the family has already exceeded the grace period.

Once the JCHA gives a family the option to pay the alternative rent and if they decline, the JCHA must terminate the tenancy of the family no more than 6 months after the end of the 24 consecutive month grace period.

### **THE JCHA HAS ELECTED TO OPT FOR OVER INCOME FAMILIES TO BE ALLOWED TO REMAIN RESIDING IN THEIR UNIT AND PAY THE ALTERNATIVE RENT.**

#### **12.13.8 - JCHA REQUIREMENTS FOR NON-PUBLIC HOUSING OVER-INCOME FAMILIES REMAINING IN A PUBLIC HOUSING UNIT**

An over-income family that agrees to pay the alternative rent will become a non-public housing over-income family. Once given the third and final over-income notification as required by 24 CFR 960.507(c)(2), at the next lease renewal or in no more than 60 days after the date the final notice per 24 CFR 960.507(c)(3), whichever is sooner, the family must execute a new lease created for non-public housing over-income families and begin to pay the alternative rent. The family will no longer be public housing program participants and will become unassisted tenants.

Once the JCHA provides the required notices the family may elect to pay the alternative rent as defined herein or vacate the premises. If the family refuses to pay the alternative rent and enter into a new NPHOI Lease, then in that event, and pursuant to HOTMA, the JCHA will commence eviction proceedings in the New Jersey Superior Court for the eviction of the family and termination of that family's participation in the JCHA Public Housing Program.

However, the JCHA may permit, in accordance with its over-income policies, an over-income family to execute the new lease after the deadline, but before eviction, if the over-income family pays the JCHA the total difference between the alternative rent and their public housing rent dating back to the date that is the earlier of 60 days after the date the final notice per 24 CFR 960.507(c)(3) or the date that would have been the next public housing lease renewal.<sup>8</sup>

JCHA will not conduct an annual reexamination of family income for a non-public housing over-income family as they are no longer subject to this requirement. Non-public housing over-income families cannot participate in programs that are only for public housing or low-income families

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<sup>8</sup> 24 CFR 960.509(a)

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such as participation in a resident council,<sup>9</sup> or receive a HUD utility allowance.<sup>10</sup> Lastly, non-public housing over-income families are no longer subject to CSSR.

Once the new lease is executed, a non-public housing over-income family may only be readmitted into the public housing program if they once again become an eligible low-income family as defined in 24 CFR 5.603(b) and reapply to the public housing program. OI families who have vacated public housing are not eligible for this preference. Families that do vacate can re-apply if they become income-eligible, just like any other eligible family.

~~On July 26, 2018, HUD published Section 103 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) which places an income limitation on public housing tenants. Effective March 2019, the law requires that after a family's income has exceeded the over income limit for two consecutive years, the PHA must either:~~

- ~~1. Terminate the family's tenancy within 6 months of the second income determination; or~~
- ~~2. Charge the family a monthly rent equal to the greater of the:
  - ~~▪ Applicable Fair Market Rent; or~~
  - ~~▪ Amount of monthly subsidy for the unit, including amounts from the operating and capital fund, as determined by regulations.~~~~

~~HUD has defined over income families as families whose household income is more than 120% of the area median income (AMI). For more information about HOTMA, visit <https://www.hud.gov/public-indian-housing/programs/ph/mod/hotma-ph>. HUD's income limits for the Jersey City Metro Area are updated annually and published here: <https://www.huduser.gov/portal/datasets/il.html>.~~

~~The JCHA must provide written notice to any family whose household income is determined at any annual or interim reexamination to exceed the over income limit that if the family's household income exceeds the over income limit for two consecutive years, the family will pay a HUD-mandated rental amount that will be the greater of: 1) the applicable fair market rent, as published by HUD, for the unit size leased or 2) the amount of subsidy for the unit including amounts from the operating and capital fund as determined by regulations (Note that the regulations have not yet been enacted.)~~

~~If, one year after the initial determination that a family's household income exceeds the over-income limit, the family's income continues to exceed the over income limit, the JCHA will provide written notice that the income has exceeded the over income limit for one year, and that~~

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<sup>9</sup> [24 CFR 960.507 \(a\)\(1\)\(ii\)](#)

<sup>10</sup> [24 CFR 960.507 \(a\)\(1\)\(iv\)](#)

## JCHA ADMISSION AND CONTINUED OCCUPANCY POLICY

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~~if the family's income continues to exceed the over income limit for the next twelve (12) consecutive months, the family will be subject to a higher rent or termination of tenancy.~~

~~If, through an annual or interim reexamination during the two-year period, the JCHA determines that a previously over income family has income that is then below the over income limit, the family is no longer subject to these over income provisions. The family will be entitled to a new two-year grace period to determine if the family's income once again exceeds the over income limit during the following year.~~

~~If the JCHA terminates an over income family's lease due to these over income limit provisions, such termination will occur within 90 days of the determination that such termination must occur. JCHA will provide the family written notice of the termination no less than thirty days prior to the effective date of the termination of the lease; and such effective date shall be no more than 120 days after of the second income determination.~~

~~The JCHA must submit a report annually to HUD with the number of families residing in public housing with incomes exceeding the over income limit and the number of families on the waiting lists for admission to its public housing program.~~

## CHAPTER 15: COMMUNITY SERVICE

### 15.1 OVERVIEW

JCHA and residents must comply with the community service requirement. Non-public housing over-income families are not required to comply with this requirement. Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities. [24 CFR 960.601(b)] Applicable self-sufficiency activities may be counted toward the community service requirement.

In administering community service requirements, JCHA will comply with all nondiscrimination and equal opportunity requirements. [24 CFR 960.605(c)(5)] [24 CFR 960 Subpart F (960.600 through 960.609)]

### 15.2 RESIDENT REQUIREMENTS

QHWRA requires that every adult Public Housing resident, either 1) contribute eight hours per month of Community Service and Self-Sufficiency Requirements (CSSR) or 2) participate in an economic or Self-Sufficiency program, unless he/she is exempt for reasons listed below.

The following adult residents are exempt from this requirement:

- Senior citizens (62 years or older)
- Persons who are blind or disabled, as defined under 216(i)(1) or 1614 of the Social Security Act (42U.S.C 416 (i)(1);1382c), and who certify that because of this disability they are unable to comply with the service provisions of this requirement or are a primary caretaker of such individual
- Engaged in work activities. For an individual to be exempt from CSSR because he/she is “engaged in work activities,” the person must be participating in an activity that meets one of the following definitions of “work activity” contained in Section 407(d) of the Social Security Act (42 U.S.C. Section 607(d)):
  - Unsubsidized employment
  - Subsidized private-sector employment
  - Subsidized public-sector employment
  - Work experience (including refurbishing publicly assisted housing) if sufficient private-sector employment is not available
  - On-the-job training
  - Job-search and job-readiness assistance
  - Community service programs

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- Vocational educational training (not to exceed 12 months for any individual)
- Job-skills directed related to employment
- Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate
- The provision of childcare services to an individual who is participating in a community service program
- Employed residents or residents who are already engaged in any work activity or self-sufficiency program
- Able to meet requirements under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located including a State-administered Welfare-to-work program
- A member of a family receiving assistance, benefits or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located, including a State-administered Welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.
- Is a member of a non-public housing over-income family.

## **CHAPTER 18: LEASE TERMINATIONS**

### **18.1 TERMINATION BY RESIDENT**

The resident may terminate the lease at any time upon submitting a 30-day written notice, leaving the apartment in clean and good condition, except for normal wear and tear, and by returning their keys to Site Management. The tenancy will not be considered terminated, and the resident will be responsible for the rent until the keys are returned. If the resident vacates prior to the end of the thirty (30) days, they will be responsible for rent through the end of the notice period or until the unit is re-rented, whichever occurs first.

### **18.2 TERMINATION BY JCHA FOR CAUSE**

The JCHA will not renew the lease of any family that is not in compliance with the community service requirement or an approved Agreement to Cure. If they do not voluntarily leave the property, eviction proceedings will begin.

The JCHA will terminate the lease for serious or repeated violations of material lease terms. Such violations include but are not limited to the following:

- A. Nonpayment of rent or other charges;
- B. Failure to provide timely and accurate information regarding family composition, income circumstances, or other information related to eligibility or rent;
- C. Discovery of false statements or fraud in connection with either application for assistance or with re-certification and breach of the terms of Stipulation of Settlements entering judgments of Possession.
- D. Failure to allow inspection of the unit;
- E. Failure to maintain the unit in a safe and sanitary manner;
- F. Assignment or subletting of the premises;
- G. Use of the premises for purposes other than as a dwelling unit (other than for JCHA approved resident businesses);
- H. Destruction of property by fire caused by resident carelessness or negligence, including the use of fireworks, which is strictly prohibited on JCHA property;
- I. Any acts of destruction, defacement, or removal of any part of the premises or failure to cause guests to refrain from such acts;

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- J. If the JCHA determines that the dwelling unit is uninhabitable because of imminent danger to the life, health and safety of the resident and the resident refuses alternative accommodations, the tenancy shall be terminated and all or a pro-rated amount of rent paid will be refunded to the resident;
- K. Any criminal activity on the property or drug-related criminal activity on or off the premises. This includes but is not limited to the manufacture or production of methamphetamine on the premises of any federally assisted housing and registration as a Sex Offender by the Head of Household;
- L. Non-compliance with Non-Citizen Rule requirements;
- M. Permitting persons not on the lease to reside in the unit more than fourteen (14) days each year without the prior written approval of the JCHA; and
- N. Other good cause, including failure to observe any lease clause not listed above. However, an incident of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim and will not be good cause for terminating the tenancy of the victim of such actions.
- O. Any ground for eviction stated in NJSA2A:18-61.1 et. Seq.
- P. Over Income Families failing to execute a new lease under 24 CFR 960.509 and/or refusing to pay the alternative rent beginning 6 months after the end of the 24 consecutive month grace period.

The JCHA will take immediate action to evict any household that includes an individual who is subject to a lifetime registration requirement under a State sex offender registration program.

### 18.7 NOTICES

The JCHA will provide written notice of any proposed termination of the Lease Agreement to the Resident Head of Household as follows:

1. ~~1430~~-day notice in the case of failure to pay rent.
2. A reasonable time of notice considering the seriousness of a situation but not in excess of a 30-day notice if the health or safety of other residents, JCHA employees, or persons residing in the immediate vicinity of the premises is (are) threatened, or if any member of the household has engaged in any drug-related or violent criminal

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activity or if any member of the household has been convicted of an offense which carries a maximum term of imprisonment of more than one year.

3. 30-day notice for any other case except if a State or local law allows a shorter notice period, then the shorter period notice will be used.

The Notice of Termination will be served by JCHA tenancy counsel via regular and certified mail. If the Notice by certified mail is returned, unclaimed, but the Notice by regular mail is not returned, the JCHA will regard the Notice as properly served. In some cases, where time is of the essence, tenancy counsel may instruct Site staff to serve the Notice of Termination in person to the resident.

A Notice of Termination will state specific reasons for the termination action and will inform the resident of his/her right to make a reply and to examine JCHA documents relevant to the termination. The Notice of Termination will also inform the resident of the right to request a grievance hearing (except in cases of criminal activity and drug-related criminal activity). The JCHA will not terminate a tenancy until the period to request a hearing has expired or the grievance process has been completed.

Any Notice to Vacate required by State or local law may be combined with, or run concurrently with the Notice of Termination.

The Notice to Vacate will be in writing and will specify that if the Resident fails to leave the apartment within the statutory period, the JCHA will take appropriate court action and the resident may be required to pay court costs and attorney's fees.

## GLOSSARY

Non-public housing over-income family – A family whose income exceeds the over-income limit for 24 consecutive months and is paying the alternative non-public housing rent. (See § 960.102 (b) Subpart E)

Over-income family – A family whose income exceeds the over-income limit. (See § 960.102 (b) Subpart E)

Over-income limit – The over-income limit is determined by multiplying the applicable income limit for a very low-income family, as defined in § 5.603(b) of this title, by a factor of 2.4. (See § 960.507 (b))

DRAFT



## OVER INCOME FAMILY POLICY – PUBLIC HOUSING LEASE ADDENDUM

### INTRODUCTION

The Housing Opportunity Through Modernization Act (“HOTMA”) was signed into law on July 29, 2016. Section 103 of HOTMA amends section 16(a) of the United States Housing Act of 1937 (42 U.S.C. 1437n(a)) (1937 Act) and creates new limitations on tenancy and program participation for formerly income-eligible families residing in public housing with incomes over the newly created over-income limit. The statute requires that after a family’s income has exceeded the over-income limit for two consecutive years or 24 consecutive months<sup>1</sup> (the “grace period”), a public housing authority (PHA) must either terminate the family’s tenancy within six months of the final notification or charge the family the alternative non-public housing rent (alternative rent). The alternative rent must equal the greater of: (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy provided for the unit. The per unit monthly subsidy includes amounts from the Operating and Capital Funds, as defined by the new regulations at 24 CFR 960.102.

Section 103 of HOTMA was partially implemented by the U.S. Department of Housing and Urban Development (HUD) in 2018,<sup>2</sup> however, there were several delays in the full implementation.<sup>3</sup> The provisions implementing Section 103 became effective on March 16, 2023, and all PHA’s must fully implement written OI policies no later than June 14, 2023. If implementation of this provision requires a significant amendment to the PHA’s plan, the PHA is required to complete the significant amendment process to effectuate the policy change. There are no exceptions to the income limitation on public housing program participation.

### APPLICABILITY

Section 103 of HOTMA applies to all PHAs operating a public housing program, including Moving to Work (MTW) Agencies. There are no exceptions to the limitation on public housing tenancy for HUD assisted tenants who are determined to be over-income for 24 consecutive months. Specifically, this means that the over-income family’s tenancy and participation in the public housing program must end within six months of the final over-income determination unless the PHA policy permits the family to remain in a public housing unit, in which case the family must be charged the alternative rent upon the completion of the grace period. The JCHA will permit an Over Income family to remain in their public housing unit and pay the alternative rent as defined below, or the Over Income family may decide to vacate the unit.

### SUMMARY OF ASSOCIATED REGULATORY CHANGES

The HOTMA final rule includes the new over-income requirements and makes necessary conforming changes to existing regulation including the removal of 24 CFR 960.261. The final rule updated existing requirements in 24 CFR 5.520, 5.628, 960.102, 960.206, 960.253, 960.601, 964.125, and 966.4. All regulatory changes are summarized below in numerical order (except for the parts containing definitions). Parts 960.507, and 960.509 are new regulations specific to the implementation of the over-income requirements. These over-income requirements are now effective as of March 16, 2023, and are to be fully implemented by June 14, 2023.

- 24 CFR 5.520 – Restrictions on assistance to Noncitizens – A conforming change was made to paragraph (d)(1) of this section to clarify that a PHA must provide prorated assistance to mixed immigration status families, except as

<sup>1</sup> 24 CFR 960.507 (a)

<sup>2</sup> 83 FR 35490

<sup>3</sup> Due to the unprecedented challenge of the COVID-19 pandemic and the authority provided under the Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136), HUD elected to waive and establish alternative requirements for numerous statutory and regulatory requirements for the Public Housing program



provided in 24 CFR 960.507. Once a mixed family has exceeded the over-income limit for 24 consecutive months, the family will either have their tenancy terminated or they must pay the alternative rent as a non-public housing over-income family. For a PHA with a termination policy for over-income families, mixed families will pay their current, prorated rent amount during the 6-month period before termination. If the mixed family is permitted to pay the alternative rent then, pursuant to 24 CFR 5.520(d)(1), the mixed family must not receive prorated assistance. Instead, the family must pay the full alternative rent amount.

- 5.628 – Family Payment – A new sub-paragraph was added at 24 CFR 5.628(a)(5) clarifying that the options available under the total tenant payment (TTP) now include the alternative rent (as defined in 960.102) for non-public housing over-income housing families.
- 960.102 and 960.601 – Definitions – Additional definitions and clarifications were added to these sections to implement the new requirements found at 24 CFR 960.507 for families exceeding the over-income limit. These changes create new definitions in 24 CFR 960.102 for the following terms: alternative non-public housing rent (alternative rent), non-public housing over-income family (NPHOI family), over income family (OI family) and over-income limit (OI limit).
- 960.206 – Waiting List: Local preference in admission to public housing program – non-public housing over-income family residing in JCHA housing, and paying the alternative rent may only be readmitted into the public housing program if they once again become an eligible low-income family as defined in 24 CFR 5.603(b) and reapply to the public housing program. The family's application will have a priority preference on the Waiting List for that particular site.
- 960.253 – Choice of Rent – Rent Options – Conforming changes have been made to paragraphs (a) and (f) of this section to clarify the choice of rent in relation to NPHOI families and the new requirements found at 960.507. Families subject to 960.507 must pay the alternative rent, as stated in 960.253(a), when they've exceeded the grace period and are allowed by PHA policy the option of remaining in a public housing unit. During the 24 consecutive month grace period, and in the 6 months before termination, the family will continue to pay their current rent choice amount (i.e., the family's choice of income-based or flat rent, or the prorated rent for mixed families).

A conforming change has been made to paragraph (f) to clarify the exemption to the current practice of conducting a reexamination of family income every three years for a family that chooses the flat rent option. The PHA must no longer apply the three-year reexamination provision to families once the PHA determines that the family is over-income. Once a PHA determines the family is over-income, the PHA must follow the documentation and notification requirements under 960.507(c).

PHAs have no discretion when it comes to the rent for non-public housing over-income families. Once the grace period ends, and if the family is given the option to remain in a public housing unit and they choose to remain, then the family is required to pay the alternative rent as determined in accordance with 24 CFR 960.102. Non-public housing over-income families must not be given the choice of flat rent, income-based or prorated-rent.

- 964.125 – Tenant Participation and Tenant Opportunities in Public Housing – Conforming changes have been made to paragraph (a) of this section to clarify that members of a non-public housing over-income family, as described in 24 CFR 960.507, are no longer eligible to be members of a resident council. There is no PHA discretion to exempt a non-public housing over-income family member from this regulation.
- 966.4 – Public Housing Program Lease requirements – HUD made conforming changes to the lease requirements under 24 CFR 966.4 (a)(2) regarding the term of the public housing lease for PHAs that have an over-income policy requiring termination after the grace period. This change requires the public housing lease to convert to a month-to-



month term to account for the period before termination as determined by PHA policy. Lastly, the regulation at 24 CFR 966.4(l)(2)(ii) has also been revised to remove the reference to 24 CFR 960.261 as one of the grounds for termination and replaced it with a reference to 24 CFR 960.507. Paragraph (l) of this section now clarifies that being over the income limit for the program qualifies as grounds for termination pursuant to the new over-income limit provided in 24 CFR 960.507. All PHAs must update their public housing leases accordingly.

- 24 CFR 960.261 – has been deleted to remove the exception to evict or terminate the tenancy of a family solely because the family is over-income provided the family has a valid contract for participation in an FSS program under part 984 or if the family receives EID. With this final rule, HUD intends for there to be no exceptions to the HOTMA over-income provision.

#### DETERMINATION OF THE OVER-INCOME LIMIT

The 'over-income limit' (OI limit) is now defined at 24 CFR 960.102. The over-income limit is determined by multiplying the applicable income limit for a very low-income (VLI) family, as defined in 24 CFR 5.603(b), by a factor of 2.4, a limit equal to approximately 120% of the area median income, or AMI. The VLI varies by jurisdiction<sup>4</sup> and by family size so each PHA will have to calculate the over-income limit for each family size in their public housing program.

The over-income limit must then be compared to the family's annual income (per 24 CFR 5.611) during an annual or interim income examination. If the family's annual income is greater than the over-income limit, then they exceed the over-income limit for the program, and must be notified in accordance with 24 CFR 960.507(c). The OI limit is based on the family's income and not their adjusted income which is a significant change from the guidance given in 2019-11. This change must be implemented for any annual or interim reexaminations following March 16, 2023. PHAs that require additional time to make a significant amendment to the PHA plan may delay the change to June 14, 2023. HUD updates the income limits annually. PHAs must update the over-income limits for the public housing in their ACOPs no later than 60 days after HUD publishes new income limits each year.

Step by step on how to determine if the family's income exceeds the Over-Income Limit.

Step 1: Go to <https://www.huduser.gov/portal/datasets/il.html> and follow the instructions in Appendix II to find the Very Low Income amount for families in your jurisdiction.

Step 2: Use the following calculation to determine the Over-Income Limit: Very Low-Income limit x 2.4 = Over-Income Limit

Step 3: If the family's annual income is greater than the Over-Income Limit, then they exceed the Over-Income Limit, and must be notified three times.

#### NOTIFICATION REQUIREMENTS

The JCHA will notify the Over-Income family with three written notices as required in regulations 24 CFR 960.507(c)(1)- (3). The JCHA will follow the over-income notification process at 24 CFR 960.507(c) for any notices occurring after implementation of the HOTMA final rule. The notices must state that the actions that will be taken as required under JCHAs over-income policy in the ACOP and, if applicable must include the alternative rent amount.

The required notices under the final rule are as follows:

<sup>4</sup> [https://www.huduser.gov/portal/datasets/il.html#2022\\_fa](https://www.huduser.gov/portal/datasets/il.html#2022_fa)



Notice 1: Provide written notice to the OI family no later than 30 days after the JCHA's initial determination, stating that the family has exceeded the over-income limit. The notice must state that:

- The family has exceeded the over-income limit, and
- Continuing to exceed this limit for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families in accordance with 24 CFR 960.507(d).

The notice will explain the JCHAs policy of either tenancy termination or the option of paying the alternative rent as an NPHOI family. JCHA must afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit.

Notice 2: JCHA will conduct an income examination 12 months after the initial OI determination, unless the JCHA already determined that the family's income fell below the OI limit during an interim reexamination. If the JCHA determines that the family's income has exceeded the over-income limit for 12 consecutive months, the Over-Income family must be provided written notice of this fact no later than 30 days after the determination that led to the 12-month over-income determination. JCHA must afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit.

This notice must inform the Over-Income family that they have been over income for 12 consecutive months and that continuing to exceed the over-income limit for the next 12 consecutive months will result in the family:

- a. Paying the higher alternative rent as a non-public housing over-income family; OR
- b. Having their tenancy terminated
- c. Since JCHAs Over-Income Policy permits Over-Income families to remain in public housing and pay the alternative rent, this notice must also include the estimated alternative rent (based on current data).

Notice 3: If the JCHA determined that the family's income has exceeded the over-income limit for 24 consecutive months, the Over-Income family must be provided written notice of this fact no later than 30 days after the determination that led to the 24-month over-income determination. JCHA will again afford the family an opportunity for a grievance hearing if the family disputes within a reasonable time the determination that the family has exceeded the over-income limit. The amount of the alternative rent must also be stated.

This notice must inform the Over-Income family that they have been over-income for 24 consecutive months, and that their lease will automatically convert to month to month and at next lease renewal or in no more than 60 days after the date of the third and final notice per 24 CFR 960.507(c)(3), whichever is sooner, the family must:

- a. Pay the higher alternative rent, and enter into a new lease as a non-public housing over-income family, OR
- b. Be terminated from their unit in no more than 6 months.

#### LIMITATION ON PUBLIC HOUSING TENANCY

Once a family exceeds the over-income limit for 24 consecutive months,<sup>5</sup> the public housing agency must either:

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<sup>5</sup> 24 CFR 960.507 (a)



1. Charge the family the Alternative Non-Public Housing Rent (alternative rent)
2. Terminate the tenancy of such family in public housing not later than 6 months after the income determination confirming that the family has been over-income for 24 consecutive months.<sup>6</sup>
  - a. Lease to convert to month-to-month term and the JCHA must charge the Over-Income families, who continue to be public housing program participants, the family's choice of income-based, flat rent, or prorated rent for mixed families during the period before termination.

#### PHA POLICY TERMINATING THE TENANCY OF OVER-INCOME FAMILIES

The Over-Income families, subject to 960.507, must pay the alternative rent, as stated in 960.253(a), when they've exceeded the grace period and are allowed by PHA policy the option of remaining in a public housing unit. During the 24 consecutive month grace period, and in the 6 months before termination of participation in the JCHA Public Housing Program, the family will continue to pay their current rent choice amount (i.e., the family's choice of income-based or flat rent, or the prorated rent for mixed families) and must continue to abide by all program requirements including Community Service Activities or Self-Sufficiency Work Activities (CSSR) requirements. During this time period, prior to the family's termination from the JCHA Public Housing Program, the family may request an interim reexamination. This reexamination can reduce the rent burden during the period up to termination, but a decrease in income will not enable the family to avoid termination from the program after the family has already exceeded the grace period.

Once the JCHA gives a family the option to pay the alternative rent and if they decline, the JCHA must terminate the tenancy of the family no more than 6 months after the end of the 24 consecutive month grace period.

### **THE JCHA HAS ELECTED TO OPT FOR OVER INCOME FAMILIES TO BE ALLOWED TO REMAIN RESIDING IN THEIR UNIT AND PAY THE ALTERNATIVE RENT.**

#### JCHA REQUIREMENTS FOR NON-PUBLIC HOUSING OVER-INCOME FAMILIES REMAINING IN A PUBLIC HOUSING UNIT

An over-income family that agrees to pay the alternative rent will become a non-public housing over-income family. Once given the third and final over-income notification as required by 24 CFR 960.507(c)(2), at the next lease renewal or in no more than 60 days after the date the final notice per 24 CFR 960.507(c)(3), whichever is sooner, the family must execute a new lease created for non-public housing over-income families and begin to pay the alternative rent. The family will no longer be public housing program participants and will become unassisted tenants.

Once the JCHA provides the required notices the family may elect to pay the alternative rent as defined herein or vacate the premises. If the family refuses to pay the alternative rent and enter into a new NPHOI Lease, then in that event, and pursuant to HOTMA, the JCHA will commence eviction proceedings in the New Jersey Superior Court for the eviction of the family and termination of that family's participation in the JCHA Public Housing Program.

However, the JCHA may permit, in accordance with its over-income policies, an over-income family to execute the new lease after the deadline, but before eviction, if the over-income family pays the JCHA the total difference between the alternative rent and their public housing rent dating back to the date that is the earlier of 60 days after the date the final notice per 24 CFR 960.507(c)(3) or the date that would have been the next public housing lease renewal.<sup>7</sup>

<sup>6</sup> 24 CFR 960.507 (d)(1) and (2)

<sup>7</sup> 24 CFR 960.509(a)



JCHA will not conduct an annual reexamination of family income for a non-public housing over-income family as they are no longer subject to this requirement. Non-public housing over-income families cannot participate in programs that are only for public housing or low-income families such as participation in a resident council,<sup>8</sup> or receive a HUD utility allowance.<sup>9</sup> Lastly, non-public housing over-income families are no longer subject to CSSR.

Once the new lease is executed, a non-public housing over-income family may only be readmitted into the public housing program if they once again become an eligible low-income family as defined in 24 CFR 5.603(b) and reapply to the public housing program. OI families who have vacated public housing are not eligible for this preference. Families that do vacate can re-apply if they become income-eligible, just like any other eligible family.

**CONFLICT WITH OTHER PROVISIONS OF THE LEASE:** In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

**CERTIFICATION:** I have read and understand all provisions of this Addendum and agree that all other conditions of the original lease and addenda, except those changed by this separate and subsequent Addendum, shall remain in effect.

**IN WITNESS WHEREOF,** the parties have executed this Amendment to the Lease Agreement on this \_\_\_\_\_ day of \_\_\_\_\_ month, 20\_\_\_\_ at Jersey City, New Jersey.

*Head of Household:*

\_\_\_\_\_  
(Print Name) (Sign Name) Date: \_\_\_\_\_

*Adult Member of Household:*

\_\_\_\_\_  
(Print Name) (Sign Name) Date: \_\_\_\_\_

*Adult Member of Household:*

\_\_\_\_\_  
(Print Name) (Sign Name) Date: \_\_\_\_\_

*Adult Member of Household:*

\_\_\_\_\_  
(Print Name) (Sign Name) Date: \_\_\_\_\_

<sup>8</sup> 24 CFR 960.507 (a)(1)(ii)  
<sup>9</sup> 24 CFR 960.507 (a)(1)(iv)

# **NON-PUBLIC HOUSING OVER INCOME FAMILY LEASE**



*The following Lease Agreement* describes the terms and conditions under which the property owner, Jersey City Housing Authority (JCHA), agrees to rent Unit #: \_\_\_\_\_ at \_\_\_\_\_ (Street Address) to the Non-Public Housing Over Income Family (NPHOIF) Head of Household, \_\_\_\_\_ and family. This Lease shall be month-to-month unless properly terminated according to the terms of this Lease and the laws of the State of New Jersey. Upon expiration of the lease term, the lease shall not automatically renew.

This Lease Agreement describes the roles, rights and responsibilities of both the NPHOIF Household and the JCHA in managing and maintaining this unit and the rules governing the actions of both parties. This Lease Agreement also represents the basis of the essential relationship between the JCHA and the NPHOIF Household to ensure that this unit is maintained in good physical condition and as socially and financially viable, affordable housing.

**I. The Household**

- a. In accordance with JCHA occupancy rules, Apt.# \_\_\_\_\_ at \_\_\_\_\_ is rented to and limited to occupancy by the following individual members of the NPHOIF Household. This Lease Agreement is strictly limited to this Household upon initial occupancy.

In consideration for general and fire safety and to prevent overcrowded conditions, non-sleeping rooms (i.e. Living Room, Dining Area, etc.) are not to be used for sleeping purposes.

Name	Relationship	Age & Birth Date	Social Security #
1.	Head	/ /	- -
2.		/ /	- -
3.		/ /	- -
4.		/ /	- -
5.		/ /	- -
6.		/ /	- -
7.		/ /	- -
8.		/ /	- -
9.		/ /	- -
10.		/ /	- -

- b. Permitting additional, unauthorized persons to live within the household for any time beyond short term visits (specifically, more than 14 days during any calendar year) is a serious violation of the terms and conditions of this Lease Agreement. A written request and JCHA approval is required prior to extending beyond the 14 day limit.

Strict compliance with this requirement is essential to ensure the continued good physical condition and social and financial viability of this unit. Any violation of this requirement prohibiting unauthorized persons from living within the unit shall be the basis for terminating the tenancy of the NPHOIF Household.

- c. The JCHA leases to the NPHOIF Head of Household (upon the Terms and Conditions set forth in this Lease Agreement) the unit to be occupied exclusively as the private and primary residence by the NPHOIF Household. It is not to be used or permitted to be used for any other purpose.

## **II. Rent and Other Fees**

### **A. Rent:**

1. The Resident shall pay the amount of the alternative non-public housing rent determined by the JCHA in accordance with federal regulations and other requirements. The amount of the alternative non-public housing rent is subject to change in accordance with federal regulations. The initial alternative non-public housing rent at the beginning of the initial lease term is \$\_\_\_\_\_. The JCHA shall give the NPHOIF Head of Household written notice stating any change in the amount of alternative non-public housing rent and when the change is effective.
2. Thereafter, alternative non-public housing rent in the amount of \$\_\_\_\_\_ per month shall be payable in advance on the first day of each month, and shall be delinquent after the tenth (10th) day of said month. There will be a late fee of \$50.00 per month for rent paid after the tenth calendar day of the month. If rent is paid by personal check and the check is returned for insufficient funds, this shall be considered a non-payment of rent and the resident will incur the late charge plus a fee **equal to the** processing costs. The late fee and insufficient funds charge will be due and owing within 30 days after being invoiced. In addition, the JCHA may require future rent payments in the form of money order only.
3. Failure to pay alternative non-public housing rent or other payments is a material violation of this Lease Agreement and is grounds for termination of the Lease Agreement.
4. Repeated late payments (three or more late payments within a 12 month period) are a violation of this Lease Agreement and grounds for eviction.
5. Alternative Non-Public Housing Rent and other fees can be paid in person at:

*The Management Office at JCHA Public Housing Sites*

**B. Security Deposit:**

1. The NPHOIF Household previously paid a security deposit of \$ \_\_\_\_\_. This amount will be applied to the tenancy upon signing this lease.
2. The Security Deposit will be placed in an interest-bearing account at the following lending institution:

Provident Bank  
\_\_\_\_\_  
Greenville Office  
\_\_\_\_\_  
1553 Kennedy Blvd.  
\_\_\_\_\_  
Jersey City, NJ 07305  
\_\_\_\_\_

3. The JCHA will use the Security Deposit at the termination of this Lease Agreement to pay the cost of any rent or other charges owed by the NPHOIF at the termination of this Lease Agreement or to reimburse the cost of repairing any intentional or negligent damages to the unit caused by the NPHOIF, Household members, guests and/or visitors.
4. The NPHOIF Household may not use the Security Deposit to pay rent or other charges or make any withdrawals for any reason while NPHOIF Household occupies the unit. No refund of the Security Deposit will be made until after the NPHOIF Household has vacated the unit and the Asset Manager or designee has inspected it on the JCHA's behalf.
5. The JCHA agrees to return the Security Deposit, together with interest if any, to the NPHOIF Household within 30 days after the NPHOIF Household moves out, less any deductions for any charges and/or fees indicated above, so long as the NPHOIF furnishes the JCHA with a forwarding address or contacts the JCHA and provides a 30-day written notice. The keys to the unit must be turned into the Asset Manager. If any deductions are made, the JCHA will furnish the NPHOIF with a written statement of any such charges for damages and/or other fees.
6. If there is a change in the Head of Household, the new Head of Household will be required to pay a security deposit of up to one month's rent. In the event that a current Head of Household transfers into another JCHA site, the current security deposit will be transferred to the new rental unit.

**C. Maintenance/Repair Charges:**

The NPHOIF Household shall be required to pay reasonable charges for damages beyond ordinary wear and tear caused by the NPHOIF Household members, guests or visitors in accordance with the revised Maintenance Charge Schedule. All charges will be due and owing within 30 days after being invoiced. Failure to pay is grounds for termination of the Lease.

If the Asset Manager determines that the cause of the damage was beyond the NPHOIF's control, the charge may be waived and the NPHOIF will not be billed. In the case of a charge to the NPHOIF, the NPHOIF Household will have the right to discuss it with the Manager.

**D. Utilities and Appliances:**

1. As part of the rent, the JCHA will supply water and sewer service. The JCHA will supply heat and hot water service unless it is the responsibility of the NPHOIF Household. The JCHA will not be liable for the failure to supply water, sewer, heat or hot water for any cause beyond its control. NPHOIF Household agrees not to waste the utilities provided by the JCHA and to comply with any applicable law, regulation, or guideline of any governmental entity regulating utilities or fuels and to report all leaks promptly to the JCHA. The JCHA shall provide a cooking range and a refrigerator for the unit.

All utilities supplied and billed directly to the NPHOIF by a local gas & electric company must be in the name of the NPHOIF Head of Household.

If indicated by an (X) below, the JCHA provides the indicated utility as part of the rent for the premises:

( ) Electricity ( ) Natural Gas ( ) Heating Fuel ( X ) Water/Sewerage

2. Fees for excess appliances, (**not applicable to residents who pay utilities directly to utility supplier**), are due per the following:

Air Conditioners: An excess utility fee of \$20/mo will be charged for each air conditioner between May and September annual for a maximum charge of \$100 per year, per air conditioner. Air conditioners must be properly installed using the manufacturer's window kit. Air conditioners may not be supported by bricks, wooden boards, cans, cardboard, or any other material.

Other Appliances: If checked below, an additional fee of \$5/mo. for Deep Freezers and Electric Dryers will be charged.. \$15/mo. will be charged for Dishwashers per appliance.

\$20/mo will be charged for **Clothes Washers**

- Deep Freezer, (model/type): \_\_\_\_\_
- Electric Dryer (model/type): \_\_\_\_\_
- Clothes Washer (model/type): \_\_\_\_\_
- Dishwasher (model/type): \_\_\_\_\_
- Other: \_\_\_\_\_

3. Other major appliances, except refrigerators, may be installed only upon prior written JCHA approval. Gas dryers are prohibited for use in the unit.

**III. NPHOIF Obligations/Criminal Activity Policy Conduct of NPHOIF,**

**Guests and Visitors**

The Resident Household is required to act and cause authorized tenant members, guests and other persons under the tenant's control, to act in a manner that will not disturb other tenants' peaceful enjoyment of their accommodations and will be conducive to maintaining the development in a decent, safe and sanitary condition, including refraining from behavior caused by drug or alcohol abuse that interferes with the health, safety or right to peaceful enjoyment of the premises by other tenants, housing authority employees, or persons residing in the immediate vicinity of the premises. In accordance with federal law and applicable HUD regulations, a criminal conviction is not necessary to demonstrate serious violations of the lease. A list of prohibited activities are outlined in the One Strike Policy, is contained in the Admissions and Continued Occupancy Policy (ACOP) and is incorporated herein by reference.

1. The Resident Household is and shall ensure that no member of the Resident Household or guest shall engage in:

- a. Any criminal activity that threatens the health or safety of JCHA employees or representatives, or;
  - b. Any criminal activity that threatens the health, safety or right to safe and peaceful enjoyment of their residences by members of the Resident Household or other residents in the site, including not being registered as a Sex Offender, or;
  - c. Any drug-related criminal activity on or off the premises.
  - d. Any smoking of prohibited tobacco products in the NPHOIF's unit as well as restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the JCHA has designated as smoke-free.
  - e. To assure that no member of the household engages in an abuse or pattern of abuse of alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other residents.
2. The Resident Household shall ensure that no visitor engages in:
- a. Any criminal activity that threatens the health or safety of JCHA employees or representatives; or
  - b. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by members of the Resident Household or other site residents; or
  - c. Any drug-related criminal activity on the premises.
  - d. Any smoking of prohibited tobacco products in the NPHOIF's unit as well as restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the JCHA has designated as smoke-free.
  - e. To assure that no visitor of household engages in an abuse or pattern of abuse of alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other residents.
3. The JCHA may evict a Resident Household in the following situations which shall be cause for terminating the tenancy as outlined in the Criminal Activity Policy incorporated herein by reference:
- a. When the JCHA determines that a household member is illegally using a drug or when the JCHA determines that a pattern of illegal use of a drug interferes with health, safety, or right to peaceful enjoyment of the premises by other residents; or
  - b. When the JCHA determines there is any criminal activity in violation of subparts a, b, or c of paragraphs 1, and 2 above.

- c. For purposes of subpart c of paragraphs 1 and 2 above the term *drug related criminal activity* means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in section 102 of the controlled Substances Act, 21 U.S.C. 802).
4. The JCHA shall pursue the eviction of a Resident Household based on an arrest, and a criminal conviction is unnecessary to demonstrate violations of the Lease. In addition, the JCHA shall pursue evictions under Criminal Activity Policy based on egregious crimes committed by juveniles, as permitted by law.
5. Violence Against Women Act – (VAWA)  
In accordance with Title VI of Public Law 109-162 and the applicable sections of the U.S. Housing Act of 1937, as amended, the JCHA is committed to preserving and protecting the right to safe, affordable housing for victims of domestic violence, dating violence, sexual assault or stalking. The JCHA will comply with any provision of Federal, State or local law that provides the greatest protection for victims of these criminal acts.

**VAWA Protections (as per 24 CFR 5.2002):**

Victims of domestic violence, dating violence, sexual assault, or stalking are eligible for protections without regard to sex, gender identity, or sexual orientation. The JCHA may not discriminate against any applicant, tenant or participant on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability or age. Guests, unassisted members, and live-in aides of the family are ineligible for VAWA protections that are available only to tenants and participants.

The JCHA may not deny admission to any applicant or terminate assistance to any tenant or participant on the basis of or as a direct result of the fact that the applicant, tenant or participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the person would otherwise qualify for assistance or admission.

The JCHA must provide applicants, tenants and participants with the VAWA Notice of Occupancy Rights (HUD- approved Form - 5380), which explains their rights under VAWA. The JCHA may also use the HUD-approved Form 5382 Certification, or other official documentation (i.e. police report, or letters from an attorney, victim services agency or medical professional, etc.), to be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under VAWA.

**VAWA Remedies (as per 24 CFR 5.2005 and 24 CFR 5.2009):**

The JCHA has established an Emergency Transfer Plan in compliance with the HUD-approved Form – 5381 and will provide the HUD-approved Form – 5383 Emergency Transfer Request Form if a VAWA victim makes a written request for a transfer to the JCHA. The JCHA may choose to bifurcate a lease, or remove a household member or lawful occupant from a lease to evict, remove, or terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, in compliance with 24 CFR 5.009, to provide protection under VAWA.

6. Pursuant to HUD Notice PIH 2017-03 which requires Smoke-Free Housing in accordance with 24 C.F.R. 965 and 966. The JCHA is a Smoke-Free Housing and prohibits the use of prohibited tobacco products in all JCHA conventional public housing living units, indoor common areas, administrative office buildings, community rooms or community facilities, public housing daycare centers, and laundry rooms. This policy also applies to outdoor areas within 25 feet from JCHA public housing and administrative office buildings. Prohibited tobacco products includes cigarettes, cigars, pipes, and waterpipes (hookahs).

#### **IV. Other Obligations and Rules of Conduct**

Violations of the general rules listed below by members of the NPHOIF Household, guests or visitors shall be considered serious violations of the terms and conditions of this Lease Agreement and are good cause for the JCHA to seek termination of the Lease Agreement. The NPHOIF Household is ENTIRELY RESPONSIBLE for the actions and conduct of ALL members of the household and ALL guests and ALL visitors of the household.

- a. All members of the NPHOIF Household, guests and visitors shall conduct themselves in a manner which is mindful and respectful of each other, neighbors, JCHA staff and representatives, of the unit being rented, and of JCHA properties as a whole. The NPHOIF Household shall ensure that no member of the household, guests or visitors act or speak in a manner which is abusive, threatening or harmful to members of the NPHOIF Household itself, or to neighbors and their families, or to JCHA staff and representatives, or in any way infringes upon the safe, peaceful enjoyment of the site by all residents.
- b. The NPHOIF Head of Household shall ensure that there are no controlled dangerous substances, controlled substance analogs, hashish, marijuana, narcotic drugs, or opiates in or about the townhouse or unit or any area assigned to the NPHOIF Household for its exclusive use. The terms controlled dangerous substances, controlled substance analogs, hashish, marijuana, narcotic drugs, or opiates shall have the same meanings here as they do in N.J.S.A. 2C:35-2 as presently written or as same may be amended from time to time.
- c. The NPHOIF Head of Household shall ensure that there are no destructive devices,, explosives, firearms, machine guns, handguns, rifles, shotguns, sawed-off shotguns, stun-guns, imitation firearms or assault firearms in or about the townhouse or unit or any area assigned to the NPHOIF household for its exclusive use unless the person in possession of any weapon set forth above has a valid permit or license to possess the weapon under state or federal law or is otherwise permitted under state or federal law to possess the weapon. It shall be the obligation of the NPHOIF to establish any exception hereunder. The terms destructive devices, explosives, firearms, machine guns, handguns, rifles, shotguns, sawed-off shotguns, stun-guns, imitation firearms or assault firearms shall have the same meaning here as they do in N.J.S.A.2C:39-1 as presently written or as same may be amended from time to time.

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- d. All members of the NPHOIF Household, guests and visitors shall exercise reasonable care of the unit being rented under this Lease Agreement and of the site as a whole. The NPHOIF Household shall ensure that no members of the NPHOIF Household, guest or visitors deface, damage, remove or destroy any part of the unit being rented, or of the building in which the unit is located or of neighboring buildings and grounds of the site.
  - e. The NPHOIF Head of Household shall ensure that members of the NPHOIF Household, guests, and visitors take reasonable precautions to prevent fires and to refrain from storing or keeping flammable materials on the premises. Any fire on JCHA premises caused by carelessness, failure to supervise children, cigarettes, unattended light candles or unattended cooking will result in the NPHOIF reimbursing the JCHA for needed repairs caused by the fire and may be cause for termination of this Lease Agreement. Smoking in all public housing developments is a material violation of this Lease and the NPHOIF Household agrees to abide by all of the provisions of the JCHA Smoke Free Policy as outlined in the Admissions and Continued Occupancy Policy incorporated herein by reference.
  - f. The NPHOIF Head of Household shall ensure that members of the NPHOIF Household, guests, and visitors shall dispose of all garbage, rubbish, and other waste from the unit in a sanitary and safe manner, and in accordance with local regulations and to refrain from, and cause members of NPHOIF's Household, guests, or visitors to refrain from, littering or leaving trash and debris in building common areas or on the grounds. The NPHOIF Household, guests and visitors are prohibited from utilizing any JCHA or JCHA-rented dumpster or roll-off container to dispose of waste and/or hazardous materials from outside companies and such use will be deemed a material violation of this Lease.
  - g. The NPHOIF Household shall use reasonable care to keep the unit in such condition as to ensure proper health and sanitation standards for the NPHOIF Household and neighbors. NPHOIF shall notify the authority promptly of known need for repairs to the unit, and of known unsafe or unsanitary conditions in the unit, in common areas and grounds. NPHOIF's failure to report the need for repairs in a timely manner shall be considered to contribute to any damage that occurs.
  - h. Should habitability of a unit become substantially impaired so that the NPHOIF Head of Household believes that he/she is justified in withholding rent, the NPHOIF shall be obligated to make prior notification to the Asset Manager *in writing* of the extent of the condition and of the intention to withhold rent. The NPHOIF understands that although it may withhold the alternative non-public housing rent, failure to pay the alternative non-public housing rent is a material violation of this Lease and grounds for termination. The NPHOIF Household understands that disputes regarding damage and repairs that cannot be resolved between the NPHOIF and the JCHA will be adjudicated in court.

- i. The NPHOIF Household shall use only in a reasonable and proper manner all water, electrical, sanitary, heating, ventilating, air conditioning and other facilities or utilities. Tampering with, disabling or removing utility company supplied equipment located anywhere on JCHA property or JCHA-supplied smoke or carbon monoxide detectors from within the unit or common hallways is grounds for termination of the Lease. The NPHOIF must immediately notify the JCHA if any smoke or carbon monoxide detectors are broken, missing or malfunctioning. The JCHA will charge any costs associated with repairing utility supplied equipment caused by a NPHOIF Household's tampering with, disabling or removing said equipment to the NPHOIF Household.
- j. The NPHOIF Household is and shall be obligated to promptly pay any bills for gas and electric service supplied and billed to the NPHOIF directly by the local gas and electric utility company. It is a serious violation of this Lease for electric and gas service to be disconnected due to the NPHOIF's failure to pay the gas & electric bill.
- k. The NPHOIF Household shall not install any television antennas or satellite dishes in or on the unit or within the common exterior areas without the prior written consent of the JCHA. Consent will be given if the JCHA determines that the installation does not create an unsafe condition, does not damage the JCHA's property, and otherwise complies with all lawful requirements. "The satellite dish cannot exceed one meter in diameter (3' 3" across) and must be professionally mounted and secured on the exterior of the building. The NPHOIF Head of Household is responsible to pay for any damages that may occur as a result of the satellite dish. It may not be installed on historic buildings, roofs, window frames, fires escapes or other common areas."
- l. The NPHOIF Head of Household is required to request, in writing, the installation of window guards in any apartment, townhouse or hallway, other than those on the first floor, where a child 10 years of age or younger resides. A window guard cannot be installed on windows providing access to a fire escape. The NPHOIF Household may not remove, tamper with or destroy the window guard and will be charged by the JCHA for any NPHOIF-caused damages. The NPHOIF's failure to report the need for repairs to the window guards in a timely manner shall be considered to contribute to any damage that occurs.
- m. The NPHOIF Head of Household shall ensure that members of the NPHOIF Household, guests, and visitors shall avoid obstructing sidewalks, areaways, passages, elevators, or stairs and to avoid using these for purposes, such as storing personal items, other than going in and out of the dwelling unit.
- n. The NPHOIF Household shall make no alterations or changes to the apartment's interior without prior written consent of the JCHA. It shall be the sole responsibility of the NPHOIF to either restore the apartment to its original condition or pay for the restoration by the JCHA as a result of any use of paint or coatings on walls, ceilings or other surfaces which alter the surface and result in work to restore it to the original condition.

- o. The NPHOIF Household may install private locks on interior or exterior unit doors but the JCHA must be provided with a contact name and phone number. In the case of an emergency, the JCHA will call the contact person who is required to respond immediately to unlock the door. If there is no response, the JCHA will break the lock and/or door, if necessary, and the NPHOIF will be responsible to pay for the repair.

Key Copies: NPHOIF who require an additional copy of a key must fill out a "Resident/Staff Key Request Form," located in the manager's office. For NPHOIF who have lost their keys, the Asset Manager will provide the NPHOIF with key(s) that the NPHOIF can bring to JCHA's designated locksmith. The quantity of keys to be provided will be limited to the amount approved on the request form. NPHOIFs are responsible for bringing the keys to be duplicated to JCHA's designated locksmith and paying the fee for the duplicate copy(ies). JCHA's designated locksmith will only accept request forms that have a raised seal and (2) signatures in blue ink signed by designated JCHA staff (no copies).

NPHOIF may request for locks to be changed and will be responsible to pay for this service.

- p. The NPHOIF Household shall remove any personal property left on JCHA property upon leaving, abandoning or surrendering the unit. Property left for more than 30 days shall be considered abandoned and will be disposed of by the JCHA as provided by state law. Costs for storage and disposal shall be assessed against the former NPHOIF Household as provided by state law.
- q. The NPHOIF Head of Household shall not assign the Lease nor sub-lease the unit and shall not give accommodation to boarders or lodgers.
- r. The NPHOIF Head of Household shall give prior written notice to the Asset Manager of the NPHOIF's intention to leave the unit unoccupied for any period exceeding two weeks.
- s. The NPHOIF Household will: remove from JCHA property any vehicles without valid NJ registration and inspection stickers; refrain from parking vehicles in any illegal space; remove inoperable or unlicensed vehicles; refrain from repairing vehicles on JCHA property; and abide by all the provisions of the JCHA Parking Policy.
- t. The NPHOIF Household agrees to comply with the requirements of applicable state and local building or housing codes, materially affecting the health and/or safety of the household members (i.e. no overcrowding in the unit and maintaining electric and gas services to the unit).
- u. The NPHOIF Household agrees not to commit any fraud in connection with any Federal housing assistance programs and not to receive assistance for occupancy of any other unit assisted under any Federal housing assistance program during the term of the Lease..
- v. The NPHOIF Household is bound by obligations imposed upon the NPHOIF under federal regulations as presently set forth at 24 CFR 960.509 or as such regulations may from time to time be amended. These regulations are incorporated here by reference. Any conflict between the terms of this lease and the terms of the federal regulations are to be governed by the terms of the federal regulations.

- w. Residents should not obstruct windows and doors in the unit. The use of foil and other similar materials over or in windows is not permitted. Window screens must remain permanently in place to fulfill their purpose and to avoid loss. In the event that a Resident removes or damages the window screen, a charge will be imposed and a cease and/or termination notice will be sent for each offense. A payment must be made within thirty (30) days from date the Resident receives notice of the charge. Throwing, placing or hanging anything out of a window is a violation of the lease and grounds for eviction.

#### **V. Pets**

- a. The NPHOIF Household is not permitted to keep, harbor or temporarily care for a pet without the *prior* written consent of the JCHA. Only one common household pet may be permitted upon execution of a Pet Agreement. Payment of a non-refundable ownership fee in the amount of \$100.00 and proof of current license and inoculations is required for each dog. Dogs cannot be more than 24 inches in height. Must be spayed or neutered. No Pit Bulls, Rottweilers, Chow Chows, Boxers, Akitas, German Shepherds, Huskies, Alaskan Malamutes, Doberman Pinschers, Press Canario or Dalmatians are allowed unless the owner can provide acceptable proof that the dog was in the household prior to 4/17/01 when the Pet Policy was first adopted. The fee will be waived for service animals.
- b. The NPHOIF's liability for damages caused by the pet is not limited to the amount of the ownership fee. The NPHOIF will be required to reimburse the JCHA for the actual cost of any and all damages caused by the pet.
- c. The JCHA may revoke permission to house a pet if the pet poses a health & safety concern due to dangerous behavior and/or causes any type of infestation due to lack of vaccination, improper physical care, unsanitary food storage or waste disposal and for failure to comply with the terms & conditions of the JCHA's Pet Policy and Pet Agreement.
- d. A full description of the Pet Policy is contained in the Admissions and Continued Occupancy Policy (ACOP) and is incorporated herein by reference.

**VI. Continued Occupancy**

**A. Use of the Apartment:**

The JCHA leases to the NPHOIF Head of Household (upon the Terms and Conditions set forth in this Lease Agreement) the unit to be occupied exclusively as the private and primary residence by the NPHOIF Household. It is not to be used or permitted to be used for any other purpose.

**B. Changes in Household:**

1. If the NPHOIF Household has a newborn child, acquires legal custody of a child or adopts a child the JCHA must be notified in writing within 10 days of the occurrence. A birth certificate and/or documentation of custody or adoption (i.e. a court order) is required. The NPHOIF Household may not accept custody of a child placed by the New Jersey Division of Child Protection and Permanency (DCP&P) or other similar agencies and may not accept custody of a foster child without the prior written consent of the JCHA.
2. If circumstances of the NPHOIF Household require the addition of a "live-in aide" (as defined in Section 966.4 of the Code of Federal Regulations), the NPHOIF Household must seek and receive JCHA written approval prior to the live-in aide moving into the unit.
3. The household composition may not be altered without the prior written consent of the JCHA. The JCHA may consider an individual for eligibility as a *live-in aide*, subject to JCHA approval.
4. If the NPHOIF Head of Household vacates the unit (e.g. moves out or dies) a remaining adult, who is listed on the most current lease, must apply to become the new NPHOIF Head of Household. The remaining family member(s) must be processed for continued residence at the site (including appropriate background checks) and enter into a new NPHOIF Lease.
5. The new NPHOIF Head of Household may assume any outstanding debt owed to the JCHA by the former Head of Household and enter into a payment agreement. The JCHA will not hold a remaining family member responsible for debt incurred by the former NPHOIF Head of Household during the period prior to the new NPHOIF Head of Household attaining the age of 18. The new NPHOIF Head of Household will be required to pay a security deposit of up to one month's rent.
6. In the case of a single person household, the Lease will be terminated upon the NPHOIF's move from the unit or upon their death.

7. If a member of the household moves out of the unit, the NPHOIF Head of Household, or spouse must inform the JCHA in writing within 10 days of the occurrence and provide documentation of new address. Acceptable forms of documentation include a residential lease or utility bill evidencing the new address. The JCHA will then remove the individual from the NPHOIF Lease Agreement.

For the purpose of this paragraph, a NPHOIF member of the household moving out involves both a voluntary or involuntary move. An involuntary move would include, but is not limited to, incarceration for at least 30 days. If a minor child is incarcerated, they will not be removed from the Lease Agreement unless the NPHOIF Head of Household voluntarily removes them and provides proof of their residence upon release.

However, a NPHOIF member of the household who is attending college, is enlisted in the U.S. Armed Forces, is incapacitated or disabled, is temporarily living away from the unit while attending college, fulfilling a military obligation, or receiving medical treatment is not considered to have moved out and will not be removed from the Lease Agreement. The NPHOIF Household will provide information requested by the JCHA in order to determine whether a household member qualifies for the exemptions to occupancy set forth in this paragraph. The information will be provided within 10 days of the date of any written request unless the parties otherwise agree in writing to a different time period.

**C. Re-certification of Family Composition:**

All NPHOIF households must annually re-certify the household's family composition in accordance with HUD'S regulations and JCHA Admissions and Continued Occupancy Policy as follows:

When the request is made, the NPHOIF Head of Household agrees to supply the JCHA with accurate information about NPHOIF household composition, age of NPHOIF household members, assets and source and amounts of income of all household members. This information will be used by the JCHA to decide whether the unit is still appropriate for the Resident's needs.

If a Resident Head of Household resides in a building that has been designated for elderly residents only and, upon the successful completion of background screening, receives JCHA approval to add a spouse who is younger than the designated age requirement of the building, the younger spouse may be required to transfer, in accordance with Section VII below, if the Head of Household moves or deceases.

## **VII. Transfers**

There may be occasions when the NPHOIF Household will need to transfer from one unit to another in the site or to a unit at another site owned by the JCHA. In this event, the following applies:

- A. If a NPHOIF Head of Household makes a written request for special unit features in support of a documented disability or handicap, the JCHA shall in its sole discretion have the choice to modify the existing unit to the extent possible, transfer the NPHOIF Household to another unit at the Site with the features requested. .
- B. In cases where the JCHA offers to transfer a NPHOIF Household to a unit within the site, the JCHA shall serve the NPHOIF Household with a written transfer notice which provides no more than 15 days in which to move following receipt of a transfer notice. In all other transfer cases the written transfer notice will set forth the time within which the transfer must occur but in no event will the NPHOIF be given less than 30 days within which to move. The failure or refusal of the NPHOIF Household to transfer to another unit within the same site, in the time and manner set forth in the transfer notice is a serious and material violation of this Lease and will be grounds for termination of this Lease Agreement.
- C. In accordance with Title VI of Public Law 109-162 and JCHA Policy, if a NPHOIF is claiming to be a victim of a domestic violence crime and is requesting an Emergency Transfer, they must submit a written request to the JCHA. In addition, the NPHOIF may also use the HUD-approved Form 5382 Certification, or other official documentation (i.e. police report, or letters from an attorney, victim services agency or medical professional, etc.), to be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under VAWA.

## **VIII. Inspections**

The JCHA will routinely inspect all units at each site. The Asset Manager will (except in emergencies) provide advance written notice of the day and approximate time scheduled for any inspection. The NPHOIF is required to provide access or reschedule the inspection at least 24 hours in advance of the scheduled appointment. Inspection will be scheduled as follows:

- A. **Move-in inspections:** The JCHA and the NPHOIF Head of Household will jointly inspect the unit prior to occupancy by the NPHOIF at which time the JCHA will furnish to the NPHOIF a written statement of the condition of the unit and the equipment provided with the unit. The statement shall be signed by the NPHOIF and the JCHA and shall be retained by the JCHA in the NPHOIF's folder. A second preventative maintenance and housekeeping inspection will be scheduled within 90 days of move-in. If results are satisfactory, inspections will be scheduled semi-annually. If results are unsatisfactory, the JCHA will re-inspect as necessary.

- B. Annual inspections:** Inspections will be scheduled at least once annually. The Asset Manager or his/her designee will inspect the unit to determine any maintenance and repair requirements, and evaluate housekeeping in accordance with Housekeeping Standards. If results are unsatisfactory re-inspection will take place until JCHA is satisfied with standards of upkeep. Failure to comply with JCHA's Housekeeping Standards shall be grounds for terminating the Lease.
- C. Move-out inspections:** The NPHOIF Head of Household must give JCHA at least 30 days written notice prior to the first of the month if he/she intends to move from the unit. Subsequently, the Asset Manager will schedule a preliminary inspection to determine if charges are due for damages. A NPHOIF Household member can participate in this inspection unless the NPHOIF Household vacates without notice to the JCHA. The final move-out inspection will take place within three working days after move-out. The JCHA will furnish the NPHOIF with a statement of any charges to be made in accordance with the JCHA's posted schedule of charges and will itemize any applicable deductions from the security deposit.
- D. Other inspections:** If at any time the JCHA reasonably believes that unsanitary conditions or conditions in violation of building codes exist, the JCHA shall have the right to perform appropriate inspection(s). The NPHOIF Household will be notified of the time, date and reason for the inspection in writing and will have the right to be present except in emergencies. The NPHOIF Household will be notified in writing of the results.

### **IX. Entry of the Unit by the JCHA**

- A. There will be occasions when the JCHA, as owner, will need access into the unit. When this necessity arises, the JCHA is obligated as follows:
1. The JCHA shall give the NPHOIF Household at least 48 hours written notice that the JCHA intends to enter the unit to perform non-routine maintenance or modernization work. The JCHA will make best efforts to enter at reasonable times (8 AM-5 PM) unless pre-scheduled with the NPHOIF for a later time.
  2. The JCHA may enter NPHOIF Household's unit at any time without written advance notice when there is reasonable cause to believe that an emergency exists. In any case, any member of the NPHOIF Household who is at home should request that the individual employee provide proper identification and explain the need for entry.
- B. The NPHOIF Head of Household agrees that a duly authorized agent, employee, or contractor of the JCHA will be permitted to enter NPHOIF's unit during reasonable hours (8 AM to 5 PM) to perform routine maintenance, make improvements or repairs, inspect the unit, exterminate for infestation or show the unit for releasing. Refusal to allow entry is a serious violation of this Lease Agreement.

- C. When the NPHOIF Household calls to request maintenance in the unit, the JCHA shall attempt to provide such maintenance at a time convenient to NPHOIF. The NPHOIF must make every effort to be at home when such maintenance is scheduled. Any fees incurred by the JCHA as a result of the NPHOIF Household not being at home for scheduled maintenance will be passed on to the NPHOIF Household. All fees will be due and owing within 30 days after being invoiced.
- D. In the event of an emergency, if the NPHOIF Head of Household and all adult members of the household are absent from the apartment at the time of entry, the JCHA shall leave in the unit a written statement stating the date, time and purpose of entry prior to leaving the unit.

**X. JCHA Obligations**

As owner, the JCHA is obligated to provide the following services:

- A. Maintain the unit in a decent, safe and sanitary condition, except for those maintenance tasks for which the NPHOIF is responsible.
- B. Comply with the requirements of applicable building and housing codes and HUD regulations materially affecting health and safety.
- C. Make necessary repairs to the unit except for those tasks routinely completed by the NPHOIF.
- D. Keep building, facilities, and common areas, not otherwise assigned to the NPHOIF Household for maintenance and upkeep, in a clean and safe condition.
- E. Maintain in good and safe working order and condition, electrical, plumbing, sanitary, ventilating, and other facilities and appliances, supplied by the JCHA.
- F. Provide and maintain receptacles and facilities for the deposit of garbage, rubbish, recyclable items, and other waste removed from the unit by NPHOIF, as required by this Lease Agreement.
- G. Supply running water and reasonable amounts of hot water and reasonable amounts of heat at appropriate times of the year (in compliance with local building and housing codes).
- H. Notify the NPHOIF of the specific grounds for any proposed adverse action by the JCHA.
- I. Notify the NPHOIF when the JCHA is required to afford the NPHOIF the opportunity for a hearing under the JCHA grievance procedure for a grievance concerning a proposed adverse action.
- J. Upon written request by the NPHOIF, provide, install and maintain child-protection window guards on windows within a unit and on windows in public halls in a building in which a child or children 10 years of age or under reside.

**XI. Defects Hazardous to Life, Health or Safety**

When a dangerous condition exists which is hazardous to life, health or safety:

- A. Any member of the household shall immediately notify the JCHA of any such defect, condition or damage.
- B. The JCHA shall be responsible for correcting or abating the problem within 24 hours if an emergency or within 72 hours if a non-emergency. However, if the damage was caused by the NPHOIF Head of Household or member of his/her household or his/her guest or visitor, the reasonable cost of resolving the problem shall be charged to the NPHOIF Household. All charges are due and owing within 30 days after being invoiced.
- C. The JCHA shall offer standard alternate accommodations, if available, in circumstances where necessary repairs cannot be made within a reasonable time. The NPHOIF shall accept any replacement unit offered by the JCHA. If the dangerous condition was caused by the negligence of the NPHOIF Household, guests or visitors, the NPHOIF Household will be responsible to pay for the costs of repairing the damage and may be subject to termination of tenancy.
- D. If the JCHA determines that the dwelling unit is uninhabitable because of imminent danger to the life, health, and safety of the NPHOIF and the NPHOIF refuses alternative accommodations, this Lease shall be terminated in compliance with applicable state law, and any rent paid will be refunded to the NPHOIF.

**XII. Written Notices**

All Notices to NPHOIF Households required under this Lease Agreement or required by federal law or State law shall be in writing and delivered to the NPHOIF Head of Household or another adult member of the NPHOIF Household or sent by prepaid first class mail, properly addressed to the NPHOIF Household at the address set forth in this lease. All notices to the JCHA required under this Lease Agreement or required by federal law or State law shall be in writing and shall be delivered to the Asset management office or the JCHA central office or sent by prepaid first-class mail properly addressed to the Asset management office or the central office.

**XIII. Revisions of the NPHOIF Lease Agreement**

- A. The JCHA may in its sole discretion revise or modify this NPHOIF Lease Agreement.
- B. The JCHA shall provide thirty (30) days written notice to NPHOIFs setting forth any proposed change in the NPHOIF Lease Agreement used by this site and providing NPHOIFs an opportunity to present written comments which shall be taken into consideration by the JCHA prior to the formal adoption of any new NPHOIF Lease Agreement in accordance with federal regulations.
- C. After the notice period provided in paragraph XIII (B), the JCHA may offer a revision to the NPHOIF Lease Agreement used by this site to the NPHOIF Household. The JCHA must give the NPHOIF Household written notice of the offer of a revision at least 30 days before it is scheduled to take effect. The written notice will specify the time within which it must be accepted by the NPHOIF Household. This NPHOIF Lease Agreement may be terminated if the NPHOIF Household fails to accept the JCHA's offer to revise an existing NPHOIF Lease Agreement.

**XIV. Termination of the NPHOIF Lease Agreement**

In terminating the NPHOIF Lease Agreement, the following procedures shall be followed by the JCHA and NPHOIF Head of Household:

- A. The JCHA may terminate the tenancy only for serious or repeated violations of material terms of the NPHOIF Lease such as failure to make payments due under the NPHOIF Lease, fulfill NPHOIF obligations described in the NPHOIF Lease, or for other good cause and only by bringing a court action to evict the NPHOIF from the unit. Other good cause includes but is not limited to: (1) criminal activity, drug related criminal activity, alcohol abuse, and registration as a Sex Offender, as provided elsewhere in the NPHOIF Lease; (2) discovery after admission of facts that would have made the NPHOIF ineligible for admission; (3) discovery of material false statements or fraud by the NPHOIF in connection with an application for assistance or with re-examination of income; (4) and (5) failure to accept the JCHA's offer of a NPHOIF Lease revision to an existing NPHOIF Lease. (6) for breach of a Stipulation Agreement; (7) for engaging in criminal acts of physical (domestic) violence crimes as per Public Law 109-162, the Violence Against Women Act (VAWA), and the JCHA's Criminal Activity Policy, as amended.; (8) for other "good cause" reasons as more fully described in the Admissions and Continued Occupancy Policy (ACOP) and/or set forth in other sections of the NPHOIF Lease Agreement, such as failure to allow inspection of the unit, subletting of the premises, failure or refusal of a household under a Revitalization Plan to relocate, etc.

- B. The JCHA shall, unless otherwise provided by federal law, give written Notice of the proposed termination of the NPHOIF Lease Agreement to the NPHOIF Head of Household as follows: (i) 14 days in the case of failure to pay rent; (ii) a reasonable period of time considering the seriousness of the situation but not to exceed 30 days if: (a) the health or safety of other NPHOIFs, JCHA employees, or persons residing in the immediate vicinity of the premises is threatened such as tampering with, disabling or removing utility company supplied equipment located anywhere on JCHA property or JCHA-supplied smoke or carbon monoxide detectors from within the unit or common hallways or other threats to health and safety, (b) if the NPHOIF's unit is uninhabitable and the NPHOIF refuses alternative accommodations, (c) failure to meet NPHOIF Obligations, (d) if any member of the household has engaged in any drug-related criminal activity or violent criminal activity; or (e) if any member of the household has been convicted of an offense which carries a maximum term of imprisonment of more than one (1) year; (iii) 30 days in any other case except that if a State or local law allows a shorter notice period, such shorter period shall apply.
- C. The Notice shall state specific reasons for the termination. It shall inform the NPHOIF Head of Household of his/her right to make such reply as he/she may wish, and of the NPHOIF's right to examine JCHA documents directly relevant to the termination or eviction.
- D. The Notice shall also inform NPHOIF of the right to request a grievance hearing in accordance with the JCHA's grievance procedures. Pursuant to the grievance procedure, the tenancy shall not terminate until the period to request a hearing has expired. This paragraph does not apply to termination actions based upon criminal activity and drug-related criminal activity as provided by federal regulation.
- E. Any Notice to Quit which is required by State or local law may be combined with, or run concurrently with, the Notice of NPHOIF Lease Agreement termination under this section. The Notice to Quit must be in writing, and specify that if the NPHOIF Household fails to vacate the unit within the applicable statutory period, appropriate action will be brought against him/her, and he/she may be required to pay the court costs and associated fees as permitted by federal regulation.

The NPHOIF Head of Household may terminate this NPHOIF Lease Agreement at any time by giving thirty (30) days written notice prior to the first of the month (e.g. if the NPHOIF Head of Household intends to vacate on March 1st, the JCHA must receive notice no later than January 30th). The NPHOIF Head of Household must leave the apartment in broom-clean and good condition, except for normal wear and tear, and is required to return the keys to the unit upon moving. The tenancy will not be considered terminated and the NPHOIF will be responsible for the rent until the keys are returned. If the NPHOIF vacates prior to the end of the thirty (30) day notice, they will be responsible for the rent through the end of the notice period or until the unit is re-rented, whichever occurs first. If the NPHOIF moves without notice, "skips out" or otherwise abandons the unit, the JCHA will take legal possession and dispose of any personal items in accordance with New Jersey State law. The JCHA may pursue legal action to recover any outstanding rent and costs owed by the NPHOIF Household upon move-out.

**XV. Court Fees**

In the event eviction proceedings are instituted by or on behalf of the JCHA for possession of the leased premises due to the NPHOIF Household's failure to pay rent, utility and maintenance charges, or any other violation of this NPHOIF Lease or for other good cause, the NPHOIF agrees to pay the court fees associated with filing the eviction action and issuing the warrant of removal which are incurred by the JCHA to remove the NPHOIF Household. Said fees and costs, if applicable, will be due and owing within 30 days after being invoiced. Failure to pay rent or other payments is a material violation of the NPHOIF lease and is grounds for termination of the NPHOIF Lease Agreement.

**XVI. Grievance Procedure**

All disputes concerning the obligations of the NPHOIF Household or the JCHA shall be resolved in accordance with the JCHA grievance procedure which is incorporated herein by reference except as provided in 24 CFR 966.51(a)(2)

**XVIII. Waiver**

The failure of the JCHA or the NPHOIF Household to exercise any right or remedy provided herein, shall not affect the right to do so at a later date for similar or other causes.

***This Lease represents the entire agreement between the parties. There are no promises, agreements or representations made other than as set forth in this Lease. This Lease shall be construed in accord with New Jersey law.***

**XIX. Execution**

By NPHOIF's signature below, NPHOIF Head of Household and Household agree to the Terms and Conditions of this Lease Agreement and all additional documents made a part of the Lease Agreement by reference.

**RIGHT OF RE-ENTRY:** The JCHA (landlord) reserves and the NPHOIF Head of Household does hereby agree, that the JCHA has retained a right of re-entry into the premises should there be a violation or breach by the NPHOIF Household of any of the covenants or agreements contained in the Lease or in this Addendum. Should the NPHOIF hold over and continue possession of the premises or any part thereof after an alleged breach or violation of any covenant or agreement of the Lease or any Addendum to the Lease, the JCHA will serve written notice of the termination of said tenancy and demand that the NPHOIF remove from the premises within the time prescribed by law.

By the signature(s) below the NPHOIF also acknowledges that the Provisions of this Lease Agreement have been received, thoroughly explained and understood.

**CONFLICT WITH OTHER PROVISIONS OF THE LEASE:** In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

**CERTIFICATION:** I have read and understand all provisions of this Addendum and agree that all other conditions of the original lease and addenda, except those changed by this separate and subsequent Addendum, shall remain in effect.

NPHOIF HEAD OF HOUSEHOLD SIGNATURE	JCHA SIGNATURES
<b>BY:</b>  (TYPE OR PRINT NAME OF HEAD OF HOUSEHOLD)	<b>BY:</b>  (TYPE OR PRINT NAME OF JCHA REPRESENTATIVE)
(SIGNATURE AND DATE)	(SIGNATURE AND DATE)

HEAD OF HOUSEHOLD: \_\_\_\_\_ DATE: \_\_\_\_\_

ADULT MEMBER \_\_\_\_\_ DATE: \_\_\_\_\_

ASSET MANAGER: \_\_\_\_\_ DATE: \_\_\_\_\_

WITNESS: \_\_\_\_\_ DATE: \_\_\_\_\_

In case of emergency, please contact \_\_\_\_\_ at phone # \_\_\_\_\_

**NPHOIF'S CERTIFICATION**

I, \_\_\_\_\_ hereby certify that I and other members of my Household, have not committed any fraud in connection with any Federal Housing Assistance program. I further certify that all information or documentation submitted by myself or other Household members to the JCHA in connection with any Federal Housing Assistance program (before and during the Lease Agreement term) are true and complete to the best of my knowledge and belief.

\_\_\_\_\_  
NPHOIF Head of Household's Signature

\_\_\_\_\_  
Date

# **JERSEY CITY HOUSING AUTHORITY**

## **2023 ANNUAL PLAN**

## **SIGNIFICANT AMENDMENT**

Redlined Revisions to Attachment C

Mixed-Finance, Mod/Development,  
Rehabilitation/Sustainability, Demo/Disposition,  
Conversions, Homeownership Programs, Project-  
Based Vouchers

(B.2 of HUD FORM 50075-ST)

**HOUSING AUTHORITY OF THE CITY OF JERSEY CITY  
2023 ANNUAL PLAN**

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**B.2 New Activities: (a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year? (b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.**

**1. Mixed-Finance Construction Initiatives**

**a) Montgomery Phase II.** Through an RFP process, the JCHA selected Genesis\MDG to develop Montgomery Family Phase II where buildings 2 and 4 of the former Montgomery Gardens currently stand. The Demolition application with HUD’s Special Applications Center (SAC) has been approved, and as of March 5, 2020, Part 58 environmental clearance with the City of Jersey City is complete. The Developer’s Agreement is currently being negotiated, and tax credit submission is expected in Spring 2023.

**b) Holland Gardens Revitalization**

- i) Overview.** The JCHA continues the process for revitalizing Holland Gardens. Kitchen & Associates (“Kitchen”), a multi-disciplinary design firm with significant experience working with public housing authorities, including experience conducting community charrettes, developed a visioning process that actively engaged Holland Gardens’ residents and incorporated their input. The result is a Vision for the new Holland Gardens that meets the needs of its residents, while propelling public housing into a new collaborative era.
- ii) Relocation Policies.** Considering best practice models, the JCHA is working with its residents, community stakeholders, HUD, and local officials to create a process that not only satisfies the requirements of the Uniform Relocation Act, but surpasses any standard for residents’ rights. The JCHA Board of Commissioners ratified a resolution that established a clear Right of Return Policy guaranteeing the return of every resident in good standing that wishes to do so.
- iii) Developer Selection Processes.** The JCHA has commenced a two-prong RFQ/RFP procurement process. The RFQ process vetted six (6) development teams by evaluating their experience financing projects, developing and managing properties, and collaborating with PHAs, governmental agencies and other organizations in mixed-finance or multi-family affordable housing developments. The subsequent

RFP component, commencing late Summer 2022 will evaluate design proposals and include resident representation on the selection committee.

## 2. Proposed RAD Conversions

- a) **Mixed-Finance Sites.** Recently, the JCHA's four oldest LIHTC sites have completed, or are about to complete, their tax credit compliance periods. These properties are: Lafayette Village (NJ009000012); Lafayette Senior Living Center (NJ009000013), Pacific Court (NJ009000014), and Woodward Terrace (NJ009000015).

The JCHA engaged its mixed-finance partners to determine whether resyndication, RAD conversion, or JCHA right of first refusal election is best suited to meet the needs of JCHA's ACC subsidized residents residing in its mixed-finance sites.

The JCHA with the Development Partner, McCormack Baron has determined that a RAD conversion coupled with LIHTC re-syndication of Lafayette Village will generate enough sources of funding to rehabilitate aging interiors and infrastructure.

[JCHA has submitted applications for conversion of Public Housing to Project-Based Assistance under the RAD program for Lafayette Village and received a HUD CHAP award on October 19, 2022.](#)

The JCHA is also in discussions with Vitus group for the possible RAD conversion and re-syndication of Pacific Court.

## 3. Demolition/Disposition

The JCHA successfully applied to SAC requesting de minimis demolition of 2 apartment units at Hudson Gardens (Building One, 514 Newark Avenue) to improve the Drop-In Center that operates in the commercial rental property at that address. The Drop-in Center offers coordinated entry for individuals and families experiencing homelessness, a range of social service supports, and rapid rehousing services as part of a federally-funded Continuum of Care. The Drop-in Center is operated by Garden State Episcopal Community Development Corporation (GSCDC), which is funded in part by the City of Jersey City and partners with JCHA's Housing Choice Voucher Department to provide housing vouchers to individuals and families experiencing homelessness. The Drop-in Center has been located at Hudson Gardens for many years. Funded by the City of Jersey City, the renovation will improve intake and case management facilities, upgrade bathrooms, install an elevator for improve accessibility and add showers, laundry and a congregate meal site to the facility.

**4. Public Housing Repositioning**

The JCHA currently has excess subsidy in its Faircloth limit to potentially expand Public Housing by approximately 1,200 units. As a result, the JCHA is actively seeking opportunities to expand its public housing program. This would include possible conversion of market rate units at mixed finance sites, and acquisition of new properties into the JCHA portfolio.

The JCHA is in the process of acquiring Webb Apartments, located at 450 MLK Drive Jersey City. Webb apartments is a 40-unit mid-rise elevator building. The JCHA has requested approval to convert 30 of the 40 units to public housing units, and expects to convert the remaining 10 units to public housing after the HOME Fund restrictions are satisfied.

Additionally, JCHA is exploring conversion of two non-federal properties, 254 Bergen Avenue, a 38-unit mid-rise elevator building, and Arlington Gardens, a 90-unit, 5 building garden style property, to public housing, increasing the agency’s ACC count by 128 units.

The chart below details the number of units and type of subsidy attached to each unit for the current mixed-finance sites:

<b>Apartment Complex Name</b>	<b>ACC Units</b>	<b>PBV Units</b>	<b>Unsubsidized Affordable Units</b>	<b>Market Rate Units</b>	<b>Total Units</b>
Lafayette Village	77	0	24	23	124
Lafayette Senior Center	82	0	0	1	83
Pacific Court	41	0	15	16	72
Woodward Terrace	45	0	15	10	70
Gloria Robinson Phase I	57	0	0	9	66
Barbara Place Terrace	40	0	16	11	67
Gloria Robinson Phase II	71	0	0	7	78
Ocean Point East	20	6	0	1	27
Ocean Point West	20	12	0	0	32
Glenview TH Phase I	38	0	17	8	63
Gloria Robinson Phase III	24	15	15	6	60
Glenview TH Phase II-East	26	12	2	0	40
Gloria Robinson Phase-IV	27	10	27	6	70
Glenview TH Phase II-West	12	4	0	8	24
Catherine Todd	0	67	0	1	68
Mill Creek/Montgomery Family I	26	52	43	5	126
<b>Mixed Finance Total</b>	<b>606</b>	<b>178</b>	<b>174</b>	<b>112</b>	<b>1070</b>

## 5. Rehabilitation/Sustainability/Modernization

- a) **Grant-Supported Sustainability.** The JCHA continues to respond to CFCP, Emergency Safety & Security grant NOFAs and any other NOFAs related to modernization and/or development that the Department publishes. The JCHA partnered with P.A.C.O., a local nonprofit that participates in the Low-Income Home Energy Assistance Program (LIHEAP) to modernize the boiler and hot water systems at 72-82 Danforth Avenue, Berry Gardens. Work was completed in spring of 2022, and the boilers and hot water systems are up and running.
- b) **Energy Efficiency.** The JCHA Board of Commissioners recently approved the JCHA extending its Energy Performance Contract an additional 5 years to finance new window systems, and modernized boiler and hot water systems at 92 Danforth Avenue, Berry Gardens. The JCHA is also exploring the possibility of installing solar photovoltaic systems on certain properties to reduce energy costs.
- c) **Broadband Access.** Internet access and digital devices are essential everyday tools to complete a range of tasks online (attending school and submitting homework assignments, applying for jobs, staying connected with distant family, accessing telehealth, and online banking, to name a few). Yet national data shows—and JCHA’s own resident surveys support—that roughly two-thirds of low-income public housing residents are unconnected. There are various reasons for the divide, but chief among them are (1) Jersey City generally and JCHA in particular lack the infrastructure to support broadband internet access for residents; and (2) the monthly fees of even “low-cost” internet services – not to mention other requirements, such as credit checks and annual contracts – put them out of the reach of many of our residents. To address these barriers, JCHA conducted a public bid process and ultimately contracted with two internet service providers (ISPs) to wire 6 of our public housing developments for high speed, affordable broadband. JCHA will made a modest investment of approximately \$20k to support the infrastructure. Thereafter, residents will have the opportunity to subscribe for internet service at a rate of \$15-20 per month (the first 2-3 months will be free for new subscribers). Installation work began in late 2021 and is expected to continue through the end of 2022. To date, approximately 750 units at three of JCHA’s public housing developments now have affordable high-speed broadband access. What’s more, the ISPs are participating providers in the Federal Communication Commission’s Affordable Connectivity Program, bringing the monthly internet subscription cost to \$0 for residents.

## 6. Homeownership

The JCHA has six (6) two-family townhouses, a total of 12 units, remaining unsold at the Dwight Street Homes (AMP #00900010) homeownership development. The JCHA anticipates selling

those remaining homes to qualified existing public housing residents or those families on the Dwight Street Homes Waiting List within the next twenty-four (24) months. Meanwhile, JCHA rehabilitated two of the most distressed units, and rented them to potential buyers. As a result, the JCHA was able to decrease vacancy at Dwight Street Homes, while continuing to meet its goal of selling all the remaining units in accordance with HUD's 5(h) Homeownership program.

As set forth in the Holland Gardens Vision, the JCHA anticipates that redevelopment of Holland Gardens will add 30 new homeownership opportunities, with at least half being affordable.

### **7. Project-Based Vouchers (PBVs)**

The JCHA has an active PBV Program, which is consistent with the Agency Plan as it both encourages new development of affordable housing and prevents the loss of affordable housing.