# Amendment to 2024 Agency Plan

To comply with the Housing Opportunity Through Modernization Act (HOTMA), specifically Sections 102 and 104 of the Act, the Housing Authority of Cook County (HACC) must amend its 2024 Agency Plan. The HACC's Implementation Date of Sections 102 and 104 of HOTMA and effective date of the Amendment to the Plan is scheduled for January 1, 2025. However, the U.S. Department of Housing & Urban Development (HUD) is experiencing technical issues with the implementation that could cause a delay in the Implementation Date of HOTMA and the effective date of the Amendment to the Plan. If the HACC is notified of a delay in the Implementation Date, it will be posted on the HACC's website.

The items listed below only reflect changes to the Agency Plan as a result of the Implementation of HOTMA. Some of the changes are mandatory and cannot be altered; however, the HACC has discretion in certain situations, which are identified below. Unless specifically marked as discretionary, the change is mandatory.

To access the meeting virtually, please use this link.
https://us02web.zoom.us/j/86228125962?pwd=uzd3isfblcJafLOqwynkkcah5u7APH.1

**ASSETS**

**Ownership of Property Suitable for Occupancy:**

Under HOTMA, families who own real property are ineligible (mandatory), unless the property is not "suitable for occupancy." The HACC defines (discretion in the definition) not suitable for occupancy as follows:

1. The property does not meet the accessibility needs for a family with a disability
2. The family has placed the property for sale
3. The property is in foreclosure
4. The property is owned jointly and the assisted family does not have the full right to sell
5. The property is currently occupied by a renter
6. The property has been deemed uninhabitable for living
7. The property is located more than 50 miles outside of Cook County
8. Property that does not meet any of the above definitions will be reviewed on a case by case basis

**Self-Certification of Net Family Assets:**

Under HOTMA, families may self-certify the net value of the Family's assets if they do not exceed $50,000 (up from $5000) based on the HACC's policy (discretionary to accept self-certification) for self-certification, which is as follows:

1. Current participants are eligible to self-certify the net value of assets that do not exceed $50,000 at annual recertification. The HACC will do a full evaluation of the family's assets every 3 years.
2. The HACC may revoke a family's ability to self-certify to the net value of family assets if it has reason to question the validity of information provided by the family. For example, the HACC is investigating potential unreported income and may need full verification of the family assets in the investigation.
3. Applicants from any of the HCV or PBV wait lists may not self-certify at admission. A full evaluation of the assets is required to determine eligibility.

**INCOME**

**Calculating Annual Income at Reexamintions**

Under HOTMA, the HACC must determine the family's income for the past 12 months and use that amount as the family income, with any adjustments to reflect current income reported by the family.

**Wages and Related Compensation**

Under HOTMA, the definition of earned income has been expanded to include wages that are sporadic or vary, including the wages of day laborers, independent contractors and seasonal workers.

**Alimony and Child Support**

Under HOTMA, the HACC is not required to count as income child support and alimony payments that are court ordered but not being received.

**Worker's Compensation**

Under HOTMA, payments for worker's compensation are excluded from annual income.

**Use of Other Programs' Income Determinations**

Under HOTMA, Housing Authorities can use safe harbor income determinations from other means tested federal assistance programs.  The HACC will not use (discretionary) the income determinations from other programs, instead the HACC will verify and calculate income for each applicant and participant.

## EXPENSES

### Dependent Deduction:

The current deduction for dependents is $480. Under HOTMA, this amount will be adjusted annually when HUD publishes the CPI-W adjusted deduction. The adjusted deduction will become effective on January 1st each year.

### Elderly/Disabled Family Deduction:

Under HOTMA, the elderly/disabled family deduction increases to $525 (from $400) and is adjusted annually. No later than September 1st each year, HUD will publish the CPI-W adjusted deduction. This deduction is for families whose head, co-head, or spouse is at least 62 years of age or is disabled.

### Hardship Exemptions for Health/Medical Care Expenses and Reasonable Attendant Care & Auxiliary Apparatus Expenses:

Under HOTMA, the sum of unreimbursed health/medical care expenses and reasonable attendant care & auxiliary apparatus expenses that exceed 10% (mandatory) of the family's annual income may be deducted from annual income. Hardship exemptions are available for some families. There are 2 types of hardship exemptions:

1. Phased-in Relief – this exemption is available for existing participants only who are already receiving the unreimbursed health/medical care expense and reasonable attendant care & auxiliary apparatus expense deduction as of January 1, 2025. The increase will be phased in over a period of 24 months as follows:
    a. 1st twelve months – income in excess of 5% may be deducted from annual income
    b. 2nd twelve months – income in excess of 7.5% may be deducted from annual income
    c. After 24 months – income in excess of 10% may be deducted from annual income
2. General Relief – this exemption is available for current participants not receiving the unreimbursed health/medical care expense and reasonable attendant care & auxiliary apparatus expense deduction as of January 1, 2025, but are a family that is otherwise eligible for this deduction, meaning a family where the head, co-head, or spouse is 62 years of age or older or who is disabled for the medical expense deduction and the family contains a person with a disability and the expense allows a family member to work. To receive general relief, the family must demonstrate that the unreimbursed expenses are in excess of 5% of the family's annual income and are the result of a change in circumstances that would not otherwise trigger an interim examination. The family is eligible for general relief for a period of 90 days. The HACC

may grant one 90-day extension (discretionary for extension and definition of circumstances) in the following circumstances:

a. An accident
b. Serious illness
c. Death of a family member
d. Loss of employment income
e. Natural disaster
f. Federal/state declared disaster

To be eligible for the unreimbursed health/medical care expense deduction, the family's head, co-head, or spouse must be at least 62 years of age or disabled. To be eligible the for reasonable attendant care & auxiliary apparatus expense deduction, the family must include a person with a disability and the expense must enable a family member to work. Once a family has chosen to receive general relief, then the family is no longer eligible for phased in relief. For example, a family is currently receiving phased in relief at 7.5% of their annual income. The family requests general relief, which is anything over 5%, and is approved for 90 days. When the general relief period ends, the family will then be eligible for the deduction over 10% of the income and not 7.5% as they were prior to the general relief.

**Child-Care Expense Deduction and Hardship Exemption to Continue Child-Care Expenses Deduction:**

The child-care expense deduction enables a family to claim reasonable child-care expenses for the care of a family member under the age of 13 if the child-care allows a family member to work, look for work, or attend school. Under HOTMA, a family whose eligibility for the child-care expense is ending because a family member is no longer working, looking for work, or attending school may request a hardship exemption to continue receiving the deduction for a period up to 90 days. The HACC will consider the following when reviewing a request for this exemption:

1. The family is unable to pay the rent because the rent, utility payment, and child care expenses exceeds 50% of the family's adjusted income.
2. The family is unable to pay rent due to unanticipated expenses, such as large medical bills.
3. The child care facility has long waiting lists and removing the child from care would prevent the family to obtain a position in the future.
4. The family may present alternate scenarios that may be reviewed on a case by case basis.

The HACC may grant up to one 90-day extension (discretionary for extension).

## INTERIM REEXAMINATIONS

### Interim Reexaminations – Decreases in Adjusted Income:

Under HOTMA, an interim reexamination for decreases in adjusted does not have to be done unless the decrease in income is 10% or more. The HACC will conduct an interim reexamination for any decreases (discretionary) in the family's income.

### Interim Reexaminations – Increases in Adjusted Income:

Under HOTMA, the rules for processing interim reexaminations for increases in adjusted income have changed, specifically for increases in *earned* income. The HACC may not process an interim reexamination for an increase in *earned* income, unless the family has previously reported a decrease in *earned* income during the same reexamination cycle (mandatory). *Earned* income is defined as income from work. If the family has previously reported a decrease in *earned* income and is now reporting an increase in *earned* income, the HACC will process an interim reexamination if the increase in *earned* income is 10% or more of the family's adjusted income (discretionary).

### Interim Reexaminations Considerations:

The policies listed above are for *earned* income only. The HACC will process interim reexaminations for changes, both increases and decreases, in other family income sources, such as Social Security, SSI, pensions, etc. The HACC will also process interim reexaminations for changes in household composition, when a family member leaves the household or is added to the household, with prior HACC approval. Unless due to a decrease in income, the HACC will not process an interim reexamination within 3 months of the next scheduled reexamination (discretionary to not process).

## ADDITIONAL HOTMA IMPLEMENTATION

### Revocation of Consent Form: HUD Form-9886, Authorization for the Release of Information

HUD requires applicants and current participants to sign Form HUD-9886, Authorization for the Release of Information, which enables the HACC to request and access income information and financial records, including the use of EIV reports, to verify income. Under HOTMA, the frequency of signing this form has changed. Applicants must sign this form at the time the HACC is determining eligibility of the family. Beginning January 1, 2024, current participants must sign this form one time during the family's participation. All family members age 18 and older must sign this form. When a current member of the family turns 18 or a person age 18 or older is added to the family, he/she must also sign the form.

Also under HOTMA, current participants may revoke this consent at any time. However, current participations who choose to revoke consent will be terminated from the program. Applicants who refuse to sign the consent form will be denied admission.

**Verification Forms:**

The HACC will accept verification forms dated within 120 days (a change from 60) of the effective date of the transaction.

**Enterprise Income Verification (EIV) Reports**

Under HOTMA, the HACC is required to use HUD's Enterprise Income Verification (EIV) System as a third-party source to verify earned income, unemployment benefits, and Social Security benefits. The HACC is also required to use the reports in the EIV System, including the New Hires Report, the Income Validation Tool Report, Identity Verification Report, No Income Reported by HHS or SSA Report, the Deceased Tenants Report, the Multiple Subsidy Report, the Failed Verification Report, and the Failed EIV Pre-Screening Report.

**Definition of Family**

Under HOTMA, the definition of family has been extended to include a single person who:

- Is an otherwise eligible youth who has attained at least 18 years of age, but not more than 24 years of age;
- Has left foster care, or will leave foster care within 90 days in accordance with a transition plan described in section 475(5)(H) of the Social Security Act; and
- Is homeless or at risk of becoming homeless at age 16 or older.

Foster adults and foster children are not considered dependents.