

PRESERVING OUR
DIVERSITY (POD)
PROGRAM
PILOT 2

Policies and Procedures Manual

Approved by the Housing Commission: 10/3/2019



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CHAPTER 1: OVERVIEW OF POD AND THE POLICIES & PROCEDURES MANUAL

Introduction

Preserving Our Diversity (POD) provides cash-based assistance to long-term Santa Monica senior renters whose inability to pay for their basic needs may result in residential displacement.

POD is the result of City Council direction provided at its May 10, 2016 meeting and the affordable housing strategies recommended by the Housing Commission in December 2015. The Pilot 1 Guidelines were approved by City Council on July 25, 2017. The original POD pilot began in November 2017, and concluded in January 2019, with participants continuing to receive to receive cash-based assistance thereafter. In July 2018, City Council allocated funds from the Housing Trust Fund to substantially expand POD for its second phase (Pilot 2).

Chapter 1 provides an overview of the City of Santa Monica's administration of POD, the components of POD program and the POD Policies and Procedures Manual. There are three parts to this chapter:

Part I: The City of Santa Monica (City). The City administers POD and POD is a locally-funded program. This part includes a description of the City, its jurisdiction, its programs, and its mission and intent.

Part II: The POD Program. This part contains information about POD operations, roles and responsibilities, and partnerships.

Part III: The POD Policies and Procedures Manual. This part discusses the purpose and organization of the Plan, which is the guiding policy document for POD.

PART I: THE CITY OF SANTA MONICA (CITY)

1-I.A. Organization and Structure of the City

POD is operated as an independent, locally-funded City program and funded from the Redevelopment Replacement Housing Trust Fund (RRHTF). The source of funds for the RRHTF is a 0.5% local sales tax increase as described in Measure GSH, passed by voters in November 2016 and any matching funds allocated by the City Council.

The City's Housing Division and the Santa Monica Housing Authority (SMHA) operates affordable housing programs through the Housing Division which is part of the Housing and Economic Development Department (HED). The mission of HED is to create affordable housing opportunities and a sustainable economy in Santa Monica.

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1-I.B. Ethics and Service

As a public service agency, the City is committed to providing excellent service to program participants, owners, and to the community. POD will comply with local, state and federal laws and regulations to ensure operational consistency among City programs. The City will make every effort to keep program participants informed of program rules and regulations, and to advise participants of how the program rules affect them. The City's standards are grounded in the City of Santa Monica Code of Ethics adopted on November 24, 2015, emphasizing the principles of fairness, transparency, accountability, and integrity.

PART II: THE PRESERVING OUR DIVERSITY (POD) PROGRAM

1-II.A. Program Purpose, Goals and Background

The purpose of the Preserving Our Diversity (POD) Pilot Program is to cost-effectively maintain economic diversity by providing financial assistance to low-income long-term residents aged 65 and above, living in rent-controlled apartments and whose inability to meet their basic income needs may result in displacement from Santa Monica.

The goals of POD are to:

1. Help very low-income senior residents meet their basic income needs to avoid residential displacement;
2. Assist some of the City's lowest-income and longest-term residents to live with greater dignity by helping them meet their basic needs, such as rent, food, medical care, and transportation, and by facilitating access to mainstream goods and services;
3. Provide an opportunity for the City to gauge the effectiveness of POD as a housing preservation and anti-displacement strategy and model; and
4. Identify key issues to address in conjunction with any program expansion.
5. To create a balanced approach to serving a large number of households while also serving high-need households.

1-II.B. Program Basics

Threshold Eligibility Criteria

Threshold Eligibility Criteria for the POD pilot (household must meet all criteria below):

1. Participant is a senior aged 65 or older; and
2. Household must have occupied current Santa Monica rent control apartment since before January 1, 2000; and
3. Household income must be equal to or less than Very Low Income (50% Area Median Income) for Los Angeles County, as determined by the United States Department of Housing and Urban Development; and
4. Household income documentation indicates that the household needs the POD cash-based assistance (e.g. earning less than the approved Basic Needs Budget after-rent income for household size); and
5. Household's apartment must not be deed-restricted affordable housing of any kind, including:
 - Properties purchased, rehabilitated and/or constructed with City Housing Trust Funds; and
 - Apartments subject to the Affordable Housing Production Program; and
 - Federally assisted properties; and
 - Los Angeles County-assisted or owned affordable housing properties; and
6. Household is not currently participating in, or previously terminated from, any Santa Monica Housing Authority rent subsidy programs; and
7. No participants have been convicted of violent crime which occurred within the last 5 years, or who are registered sex offenders; and

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8. Social Security Numbers or Individual Taxpayer Identification Numbers - Participants must disclose their social security number or individual taxpayer identification number to allow the City to report the cash assistance as income on a 1099 Form; and
9. Participants must agree to execute a Consent to Release Information Form and Privacy Act Notice, and other consent forms as needed to collect information relevant to the participant's eligibility if required. The City must deny admission to the program if any applicant or participant fails to sign and submit the consent forms within 10 days.

Priority Order for Application Review

Priority order for review of the POD applications will be established by a lottery system. Applications will be reviewed by City staff for program eligibility in this order.

Basic Needs Budget

The household assistance amount shall be determined using the Basic Needs Budget Method, not to exceed the limits illustrated in the table below. The Basic Needs Budget Method is based on a modified-for-Santa Monica version of the 2015 University of California in Los Angeles (UCLA) Elder Index Basic Needs Budget (BNB), which aims to equalize the remaining amount of income each household retains after paying rent.

Expense	PILOT 2	
	1-person HH	2-person HH
Food	\$269	\$499
Healthcare	\$162	\$324
Transportation	\$52	\$103
Utilities	\$44	\$63
Miscellaneous	\$220	\$317
Total Monthly POD After-Rent Income Standard	\$747	\$1,306
Maximum Pilot 2 Assistance:	\$700	\$1,225

Cash-Based Assistance Formula

The formula for the amount of cash-based assistance provided to a household is calculated as follows (with adjustments for household size):

- Total Monthly Income Minus Monthly Rent = Monthly After-Rent Income
- Monthly Basic Needs Budget Non-Rent Expenses (**not to exceed \$700 for a 1-person household or \$1,225 for a 2-person household**) Minus Monthly After-Rent Income = Monthly Cash-Based Assistance

Definition of Monthly Rent

Monthly rent is defined as the amount of money paid for housing to the landlord or owner as evidenced by a cancelled rent check, money order, or verifiable receipt. Parking or utility costs paid separately are not included.

Definition of Monthly Income and Asset Income Calculation

Regular sources of cash plus monthly imputed asset income.

**PART III: OVERVIEW AND PURPOSE OF THE POLICIES & PROCEDURES
MANUAL**

The Policies and Procedures Manual establishes protocols for administering the POD Pilot 2 program in a manner consistent with local goals and objectives.

1-III.A. Contents of the Policies and Procedures Manual

The protocols included in the Policies and Procedures Manual are as follows:

- City oversight of the POD program;
- Description of the POD program and Policies and Procedures Manual;
- Fair housing and equal opportunity;
- Program accessibility for persons with disabilities and limited English proficiency;
- Program eligibility, application process and selection of applicants;
- Standards for denying admission;
- How POD assistance is calculated
- How income and imputed income from assets are determined;
- Participant obligations;
- Participant household composition
- Interim redeterminations of household income and composition;
- Standards for terminations and program violations;
- Informal review procedures for applicants and participants;

The City will revise this Manual as needed.

CHAPTER 2: FAIR HOUSING AND EQUAL OPPORTUNITY

Introduction

This chapter describes City policies for the administration of POD related to the following Fair Housing and Equal Opportunity topics:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the POD regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of POD related to reasonable accommodation for persons with disabilities.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details how POD will ensure meaningful access to housing programs and its activities by persons with limited English proficiency (LEP).

PART I: NONDISCRIMINATION

2-I.A. Overview

The administration of POD will comply with federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment. When more than one civil rights law applies to a situation, the laws will be read and applied together. Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

2-I.B. Nondiscrimination

The City, in its administration of POD, shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”).

- Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.
- The City will not discriminate on the basis of an individual’s status as a victim of domestic violence, dating violence, sexual assault or stalking.
- The City will not discriminate on the basis of marital status, gender identity, or sexual orientation
- In addition, the City will not discriminate on the basis of gender expression, ancestry, source of income, or genetic information.
- The City of Santa Monica’s Municipal Code Section 4.28.030, the Housing Anti-Discrimination Code, prohibits discrimination based on “source of income”. “Source of income” includes any lawful source of income or rental assistance from any federal, State,

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local, or non-profit-administered benefit or subsidy program including, but not limited to, rental housing voucher programs.

The City, in its administration of POD, will not use any of these factors to:

- Deny to any household the opportunity to apply for POD, nor deny to any qualified applicant the opportunity to participate in the POD program;
- Subject anyone to segregation or disparate treatment;
- Restrict anyone's access to any benefit enjoyed by others in connection with the POD program;
- Treat a person differently in determining eligibility or other requirements for admission;
- Steer an applicant or participant toward or away from a particular area based on any of these factors;
- Deny anyone access to services;
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the POD program;
- Discriminate against someone because they are related to or associated with a member of a protected class;
- Publish or cause to be published an advertisement or notice indicating the availability of the POD program that prefers or excludes persons who are members of a protected class; and
- Coerce, intimidate, threaten, or interfere with any individual in the exercise or enjoyment of fair housing rights.
- Additionally, the City will not retaliate against individuals for exercising, or encouraging others to exercise, their fair housing rights.

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A Definition of a Person with a Disability Under Federal Civil Rights Laws

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

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“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the City) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the programs

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

2-II.B. Definition of Reasonable Accommodation

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access. For example, reasonable accommodations may include making home visits, or extending the assistance term.

Requests for reasonable accommodations will be considered “reasonable” if they do not create an undue financial and administrative burden or result in a fundamental alteration in the nature of operations.

2-II.C. Types of Reasonable Accommodations

When needed, the City will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail or online;
- Conducting home visits; and
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with City staff or vendors.

PART III: PROHIBITION OF DISCRIMINATION AGAINST LIMITED ENGLISH PROFICIENCY PERSONS

2-III.A. Request for a Reasonable Accommodation

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, the City will encourage the household to make a request in writing using a reasonable accommodation request form. However, the City will consider the accommodation any time the household requests an accommodation whether or not a formal written request is submitted. The household must explain the accommodation they desire related to their disability. If the need for the accommodation is not readily-apparent or known to the City, the household must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

2-III.B. Approval/Denial of a Requested Reasonable Accommodation

The City must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the City, or fundamentally alter the nature of the City's operations

Requests for accommodations must be determined on a case-by-case basis, taking into account factors such as the overall size of the City's administration of POD with respect to the number of employees, workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs. After a request for accommodation is presented, the City will acknowledge receipt of the request, within 10 business days. Before making a determination, the City may enter into discussion and negotiations with the participant and may request additional information from the participant. Based on the verified need for the accommodation, or the absence thereof, the City will render its decision within a reasonable period of time.

If the City denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the City's operations), the City will discuss with the participant whether an alternative accommodation could effectively address the need without a fundamental alteration to the program and without imposing an undue financial and administrative burden. If the need for the accommodation was not readily apparent or known to the City, and the participant was not able to demonstrate the relationship or nexus between the requested accommodation and the disability, the City may also deny the request.

If the City believes that the participant has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the City will notify the participant, in

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writing, of its determination within 15 business days from the date of the most recent discussion or communication with the participant. The City may be required to respond in less than 15 business days.

The City will ensure that persons with disabilities related to hearing and vision have reasonable access to the POD program. At the initial point of contact with each applicant, the City shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

To meet the needs of persons with hearing impairments, TTD/TTY [(310) 917-6626] communication will be available or SKYPE calling.

To meet the needs of persons with vision impairments, large-print of key program documents will be made available upon request. Audio versions may be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with City staff, one-on-one assistance will be provided upon request. Documents can also be emailed in order for participants to enlarge or convert to audio.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third-party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials, be present at meetings held with the participant, or to represent the participant and the participant's interests.

Should the participant designate an individual as such a representative, a written, notarized authorization must be submitted to the City specifically designating the individual, including an acknowledgement that the participant is still responsible for all participant obligations under the programs.

2-III.C. Physical Accessibility

The City must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The POD physical accessibility policy is as follows:

- The City will provide physically accessible City meeting space for any activities that require in-person meetings for POD applicants, enrollees, participants, or their designated representatives; and
- The City will consider reasonable accommodation requests from applicants, enrollees, participants, or their designated representatives; and
- The City will implement the approved accommodation activities.

PART IV: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-IV.A. Overview

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the programs.

POD will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP). POD will adopt and adhere to the same standards as the SMHA LEP Language Assistance Plan as described in Exhibit 2-2.

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Policies and Procedures Manual, LEP persons are participants.

2-IV.B. Oral Interpretation

The City will offer competent interpretation services free of charge, upon request to the LEP person. The City will utilize a language line for telephone interpreter services.

Where LEP persons desire, they will be permitted to use, at their own expense, a qualified interpreter of their own choosing, in place of or as a supplement to the free language services offered by the City. The interpreter may be a participant member or friend; however, the City will not permit minor children to act as interpreters.

The City will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the City will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other City departments.

2-IV.C. POD Language Assistance Plan

Factor Four: Resources currently available to participants/residents

The City’s Housing Division, under which POD will be operated, currently makes the following resources available to LEP individuals and families in order to provide meaningful access to housing programs and services:

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Language Assistance

The City, in its operation of POD, will:

1. List the telephone extension on all notices addressing language assistance.
2. Utilize language identification flashcards to assist limited English proficient individuals to inform staff of the language they are most comfortable using to communicate.
3. Utilize signage in the lobby of the housing authority and on the website informing the public of translation and interpreter service.
4. Inquire as to the need for, and provide qualified interpreter assistance for, all required group meetings (i.e. briefings) at no cost to the participant.
5. Provide translated versions of vital documents to LEP applicants and participants.
6. Provide free interpretation assistance upon request for all other POD activities.
7. Bilingual staff in designated positions to provide oral translation services

Interpreters

To the extent that they are available, qualified interpreters will be provided for all group meetings at no cost to the participants, if the assistance is requested at least 2 work days prior to the meeting. Notice announcing the meeting, including appointment letters, will advise individuals of their ability to request assistance in advance of a group meeting. Interpretation assistance via telephone conferencing will be offered for one-on-one meetings with staff as needed. Friends will be strongly discouraged as interpreters; minor children will not be permitted to act as interpreters. The City maintains a Translation Services List of employees who are proficient in interpreting specific languages. Advance notification will be required in order to request employees from other Departments to assist with application, enrollment and participation activities.

Translation

While every effort will be made to ensure that all documents translated remain true to the English version, the text of the English version is the official statement and/or policy of POD. Eventual errors in translation may be considered as a mitigating factor in assessing any resulting complications.

The City will make every effort to provide translations (in Spanish and other language[s] for participants when it is disclosed that they are in need of this service. Particularly, the

- a. The Statement of Participant Obligations
- b. Termination Notices
- c. Notices advising of the right to request an Informal Review

CHAPTER 3: ELIGIBILITY

Introduction

The City is responsible for ensuring that the participant and all participant household members meet program eligibility requirements. Participants must provide all information requested by the City to confirm eligibility and to determine the level of POD assistance.

This chapter contains three parts:

Part I: Definitions of Participant and Household Members. This part contains definitions of participant and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding social security numbers and consent.

PART I: DEFINITIONS OF PARTICIPANT AND HOUSEHOLD MEMBERS

3-I.A. Overview

Eligibility criteria and program rules vary depending upon the composition of the household requesting assistance. Some requirements apply to the household as a whole and others apply to individual persons who will live in the residence. This part provides information that is needed to correctly identify participants and household members, to apply eligibility rules and to determine cash-based assistance.

3-I.B. Participant and Types of Household Members

All household members will be assigned a household member type for the purposes of determining the amount of cash-based assistance that an applicant may be eligible to receive. Household member types are defined as follows:

1. Participant – A participant is a senior, aged 65 or above who legally resides in the apartment.
2. Other member – All other persons living in the household except those who have a roommate or live-in aide agreement with a participant.
3. Roommate – A roommate is a person living in the household who has entered into an agreement to pay monthly rent either to the landlord or the participant.
4. Live-in Aide – A person living in the household who provides care to a member of the household based on a disability need which requires a caregiver to be available by living in the residence.

LIVE-IN AIDE

A *live-in aide* who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-

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being of the persons, (2) is not obligated for the financial support of the persons, and (3) would not be living in the residence except to provide the necessary supportive services. The income of a live-in aide working in the participants home is not counted in the calculation of annual income for the participant household.

3-I.C. Guests

A *guest* is a person temporarily staying in the residence with the consent of a member of the household who has expressed or implied authority to so consent. A guest can remain in the assisted residence as allowed by the participant's lease or if a reasonable accommodation is requested of the landlord.

3-I.D. Temporarily and Permanent Absence from the Residence

Participant may be considered absent from the residence either temporarily or permanently, for a variety of reasons, including educational activities, employment, illness, incarceration, treatment, and court order. Generally, a participant who is or is expected to be absent from the residence for 90 consecutive days or less is considered temporarily absent and continues to be considered a participant. Generally, an individual who is or is expected to be absent from the assisted residence for more than 90 consecutive days is considered permanently absent and will be dismissed from the POD program.

Medical Reasons

When a participant member is confined to a medical or treatment facility on a permanent basis they are no longer considered a POD participant and the cash-based assistance will be terminated. The City will request verification from a responsible medical professional to verify the medical status.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. Threshold Eligibility Criteria

Threshold Eligibility Criteria are factors that establish whether an applicant will be reviewed for program eligibility. The Threshold Eligibility Criteria for POD are:

1. Participant is a senior aged 65 or older;
2. Household must have occupied current Santa Monica rent controlled apartment since prior to January 1, 2000;
3. Household income must be equal to or less than Very Low Income (50% Area Median Income) for Los Angeles County, as determined annually by the United States Department of Housing and Urban Development;
4. Household income documentation indicates that the household is in need of the POD cash-based assistance (e.g. earning less than the approved Basic Needs Budget after-rent income)

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for household size) not to exceed the assistance limit of \$700 for 1-person households or \$1225 for 2-person households; and

5. Household's apartment must not be deed-restricted affordable housing of any kind, including:
 - Properties purchased, rehabilitated and/or constructed with City Housing Trust Funds;
 - Apartments subject to the Affordable Housing Production Program;
 - Federally assisted properties; and
 - Los Angeles County-assisted or owned affordable housing properties; and
6. Household is not currently participating in, or previously terminated from, any Santa Monica Housing Authority rent subsidy programs; and
7. No POD participants have been convicted of violent crime which occurred in the previous 5 years or are registered sex offenders.
8. Social Security Numbers or Individual Taxpayer Identification Numbers - The participant must disclose their social security number or individual taxpayer identification number to allow the City to report the cash assistance as income on a 1099 form.
9. Participant must agree to execute a Consent to Release Information Form and Privacy Act Notice, and other consent forms as needed to collect information relevant to the participant's eligibility if required. The City must deny admission to the program if any applicant or participant fails to sign and submit the consent forms within 10 days.

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median income with adjustments for household size. The income limits are used to determine threshold eligibility for the program (i.e., Very Low-Income).

Income limits are used for threshold eligibility at admission. Income eligibility is determined by comparing the annual income of an applicant household to the applicable HUD income limits, adjusted for household size.

Very Low-Income Participant. A participant whose annual income does not exceed 50 percent of the median income for Los Angeles County, adjusted for household size.

Conflict of Interest

The City must not approve program participation in which any of the following classes of persons has any interest, direct or indirect, during program participation or for one year thereafter:

- Any present or former member or officer of the City (except a participant commissioner)
- Any employee of the City, or any contractor, subcontractor or agent of the City, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs

CHAPTER 4: APPLICATIONS, WAITING LIST AND PARTICIPANT SELECTION

Introduction

When a household wishes to receive assistance under the POD program, the household must provide the City with the information needed to determine the household's eligibility. All households that apply for assistance must be selected from the waiting list. When POD assistance becomes available, the City must select households for review from the waiting list in accordance with this Policies and Procedures Manual.

The City will adopt clear policies and procedures to processing applications and selecting applications from the waiting list and must follow these policies and procedures consistently.

This chapter describes City policies for accepting registrations, managing the waiting list and selecting families for POD assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Waiting List Registration Process. This part provides an overview of the waiting list registration process and discusses how households can register for the program waiting list. This part also specifies how the City will handle submitted registration information.

Part II: Managing the Waiting List. This part presents the policies that govern how the City's waiting list is structured and when it is opened and closed. This part also discusses the process the City will use to keep the waiting list current.

Part III: Selection for POD Assistance. This part describes the policies that guide the City in selecting applicant households for POD assistance as such assistance becomes available. This part also specifies how in-person interviews may be used to ensure that the City has the information needed to make a final eligibility determination.

PART I: THE WAITING LIST REGISTRATION PROCESS

4-I.A. Overview

This part describes the City's policies for making registration forms available, accepting registration forms, making determinations of potential eligibility, and the placement of registered households on the waiting list.

4-I.B. Registering with the City

Any person that wishes to receive POD assistance must complete a registration form as a first step. Registrations must be completed in the method described in the instructions on the City's website in order to be accepted by the City for processing. All required information must be filled out before the system will accept the registration.

Under the waiting list registration process, the City initially will require families to provide only the information needed to make an initial assessment of the household's potential eligibility. This

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information will be obtained from families via a registration form online. As a reasonable accommodation, families may also register by telephone.

Once the initial assessment of potential eligibility is completed and the registration is deemed approved for further processing, the household will be required to provide all of the information necessary to establish POD eligibility and level of assistance. The information will be obtained from the household via a full application form.

4-II.C. Opening and Closing of the Waiting List Registration Process

The City will open the registration process for the waiting list at a predetermined date that will be publicized in advance.

4-I.D. Accessibility of the Waiting List Registration Process

If a person living with disabilities is unable to complete the online registration process due to the nature of their disability, they may request a reasonable accommodation for assistance with the registration process. The City will accept reasonable accommodation requests starting from the time of the formal announcement of the waiting list opening. Requests for reasonable accommodations received before this period will not be reviewed. To prevent delay in the waiting list registration process for households, the City will not verify with a third party the individual's need for a reasonable accommodation. As a reasonable accommodation, the City may allow persons living with disabilities to register by telephone. The person must contact the City before any deadlines specified by the City.

4-I.E. Placement on the Waiting List

The City will review each completed registration received and make an initial assessment of the household's potential eligibility. The City will accept registrations from households for whom the list is open unless there is good cause for not accepting the registration. Where the household is not determined to be ineligible, the household will be sent a full application. No household has a right or entitlement to be placed on the waiting list, or to any particular position on the waiting list.

Registered households will receive instant confirmation of receipt of registration when all required information is completed. Once the registration has been received, a receipt will be sent to the email address of record. Potential eligibility will be assessed within 30 days of the registration submission.

The City will determine a household's potential eligibility by reviewing the following registration information:

1. Registrant is at least 65 years of age as of the registration date, based on the reported age or date of birth;
2. Registrant's home address matches an address in the City's records of rent-controlled units with tenants who moved in prior to January 1, 2000;

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3. Registrant's home address does not match an address in the City's records of deed-restricted, affordable housing units;
4. Registrant's home address does not match an address in the City's records of units receiving rental subsidies.

Ineligible for Placement on the Waiting List

If the City can determine from the registration information provided that a household is ineligible, the household will not be placed on the waiting list. In these instances, the City is not required to make any further effort to contact the registered household. An informal review is not required to be offered.

Eligible for Placement on the Waiting List

If the City can determine from the registration information provided that a household is potentially eligible, the household will be placed on the waiting list and will be sent a full application. Reasonable accommodation requests from waiting list households regarding assistance with the full application process can be made to the City.

PART II: MANAGING THE WAITING LIST

4-II.A. Overview

This part describes the policies regarding various aspects of organizing and managing the waiting list of registered households. This includes opening the list to new households, closing the list to new households, notifying the public of waiting list openings and closings, updating waiting list information, and purging the list of households that are no longer interested in the program or are ineligible for assistance.

4-II.B. Organization of the Waiting List

The City's waiting list must be organized in such manner to allow the City to accurately identify and select households for assistance, according to the admissions policies described in this plan.

The waiting list will contain the following minimum information for each household listed:

- Applicant name
- Home address
- Contact information
- Age or date of birth
- Registration date

4-II.C. Maintaining the Waiting List

Removal from the Waiting List

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If at any time a household is on the waiting list and the City determines that the household is not eligible for assistance (see Chapter 3), the household will be removed from the waiting list.

If a household is removed from the waiting list because the City has determined the household is not eligible for assistance, a notice will be sent to the applicant's email address of record. The notice will state the reasons the household was removed from the waiting list and will inform the applicant of how to request an informal review regarding the City's decision.

The City will remove names of applicants:

- That do not respond to a written request for information or updates within the notified timeframe; or
- If correspondence to the applicant is returned by the United States Postal Service for any reason.

In these instances, the City is not required to make any further effort to contact the household. An informal review is not required to be offered.

The City may remove the names of households that have become participants in any other City housing program. An informal review is not required to be offered in these instances.

PART III: SELECTION FOR APPLICATION REVIEW AND PARTICIPATION

4-III.A. Overview

Households on the waiting list must be selected for eligibility review in accordance with the policies described in this part and the City will maintain a clear record of all information required to verify that the household is selected from the waiting list in accordance with the policies in this part.

4-III.B. Selection and Qualification

The City will select waiting list households who have completed a full application for eligibility review by rolling lottery cycle. The steps for the selection cycle are:

1. Send a full application to households on the waiting list and notify households of the deadline to complete the application in order to be entered in the next rolling lottery cycle.
2. Randomly assign lottery numbers to all households who have completed the full application by the stated deadline.
3. Select the top # of applicant households for further processing. The # selected for each lottery cycle will be adjusted as the pilot proceeds based on how many can be processed per cycle.
4. Selected applications will be checked for completion. Additional required documents and information will be requested if needed.
5. Applications will be processed in lottery order.

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6. Households that are determined to be eligible will be considered qualified and their assistance will be calculated according to the policies in Chapter 6. Households that are not qualified or that are determined to not need assistance will be notified, removed from the waiting list, and informed of how to request an informal review regarding the City's decision.
7. Eligible households will be served in order so long as capacity exists in the program budget. If there is not enough capacity in the program budget the eligible households will wait in the order in which they were determined to be qualified.

4-III.C. Notification of the Selection

The City will notify households when selected in the rolling lottery cycle and schedule an eligibility interview.

4-III.D. The Eligibility Interview

Households selected from the waiting list may be required to participate in an eligibility interview. All POD-participating household members are required to attend the interview together. Other adult household members may be required to attend the interview if it is necessary to make an eligibility determination.

All adult household members must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). POD participants must also provide the information necessary to establish eligibility for POD and determine the appropriate level of assistance, as well as complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the City will provide the participant with a written list of items that must be submitted.

Any required documents or information that the household is unable to provide at the interview must be provided within ten business days of the interview. If the household is unable to obtain the information or materials within the required time frame, an extension may be granted depending upon the circumstances. If the required documents and information are not provided within the required time frame (plus any extensions), the household will be sent a notice of denial (See Chapter 3).

If the participant is unable to attend a scheduled interview, the participant should contact the City in advance of the interview to reschedule a new appointment. Applicants who fail to attend the scheduled interview without City approval will be denied assistance based on the participant's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.E. Completing the Application Process

If the City determines that the household is eligible and all documentation has been received, the City will enroll the household in the program.

If the City determines that the household is ineligible, the City will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility and will inform the household of its right to request an informal review.

CHAPTER 5: PARTICIPANT OBLIGATIONS

5-I.A. Participant Obligations

Obligations of the participant are described in this chapter. These obligations include responsibilities the participant is required to satisfy, as well as prohibited actions. The City must inform participants of these obligations before admission into the program and the same information must be included on a written form or statement signed by all participants. When the participant is approved for the program and the written statement of participant obligations is executed, the participant must meet those obligations to continue participating in the program.

What Does the Participant Do?

The POD participant has the following responsibilities:

- Provide the City with complete and accurate information as determined by the City to be necessary for administration of the program
- Attend all appointments scheduled by the City
- Maintain residency in the rent-controlled apartment, including complying with the terms of the lease

Time Frames for Reporting Changes Required by Participant Obligations

Unless otherwise noted below, when participant obligations require the participant to respond to a City request for information or notify the City of a change in circumstances, responding to the City request or notifying the City of a change in circumstances within 30 days is considered prompt. When a participant is required to provide notice to the City, the notice must be in writing.

Participant Obligations

The participant obligations of the assistance are listed as follows:

1. The participant must supply any information requested by the City for use in a scheduled reexamination or of participant income and household composition.
2. The participant must disclose and verify social security numbers or individual taxpayer identification numbers and sign and submit consent forms to obtain relevant information.
3. Any information supplied by the participant must be accurate and complete.
4. The participant must notify the City and the owner before moving out of the residence or terminating the lease or rental agreement. The participant must provide written notice to the City at the same time the owner is notified, but no less than 15 days.
5. The participant must promptly give the City a copy of any owner eviction notice within 10 business days.
6. The participant must occupy the apartment as their sole and primary residence.
7. The participant must inform the City when adding another person to the apartment. The request to add a participant member must be submitted in writing.
8. The participant must promptly notify the City in writing if any household member no longer lives in the residence.
9. The participant must not sublease or sublet the residence after admission into the program. Subleasing includes receiving payment to cover rent and utility costs by a person living in the residence who is not listed as a household member.

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10. The participant must not assign the lease or transfer the unit.
11. The participant must supply any information or certification requested by the City to verify that the participant is living in the residence, or related to participant absence from the residence, including any City-requested information or certification for the purposes of participant absences. The participant must cooperate with the City for this purpose. The participant must provide prompt and advance notice to the City of absences from the residence of more than 30 days.
12. The participant must not own or have any interest in the residence.
13. Participant members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
14. An assisted participant or member of the participant household must not receive program assistance while receiving a housing subsidy under any other federal, state or local housing assistance program.
15. A participant must not receive program assistance while residing in an apartment owned by a parent, child, grandparent, grandchild, sister or brother of any member of the participant household, unless the City has provided a reasonable accommodation for a participant who is a person with disabilities.
16. The participant must notify the City within 30 days in writing of any significant increases in household income. “Significant” means an increase in gross monthly income of more than \$200 since the date of admission to the program or since the most recent reexamination.
17. The participant agrees not to pay the owner/landlord any additional compensation (either monetary or other) other than that which is approved by the lease or approved by the City.
18. The participant must not engage in or threaten abusive or violent behavior towards any City employee or representative.

CHAPTER 6: POD ASSISTANCE DETERMINATIONS

Introduction

A household’s income and rent is used to calculate the amount of POD cash-based assistance. The City will use the policies and methods described in this chapter to ensure that only eligible households receive assistance. This chapter describes City policies related to:

- **Part I: Annual Income**. Definition of annual income and sources of income. These requirements and City policies for calculating annual income are found in Part I.
- **Part II: Basic Needs Budget**. Definition of Basic Needs Budget, based on the UCLA Elder Index.
- **Part III: After Rent Income and Calculating the Cash-Based Assistance**. This part describes the formula for calculating cash-based assistance.

PART I: ANNUAL INCOME

6-I.A. Overview

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the participant head or spouse (even if temporarily absent) or to any other member; or
- (2) Are anticipated to be received from a source outside the participant during the 12-month period following admission or annual reexamination effective date; and
- (3) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the participant has access.

6-I.B. Household Composition and Income

Income received by all household members must be counted unless specifically excluded. It is the responsibility of participants to report changes in household composition.

Household member type	Counts toward household size	Part of assistance calculation
Participant	Yes (up to 2)	Income and assets are counted
Other member	No	Income and assets are counted
Roommate	No	Rent contribution is subtracted from household rent
Live in aide	No	No

6-I.C. ANTICIPATING ANNUAL INCOME

The City will count all income “anticipated to be received from a source outside the participant” during the 12-month period following admission or annual reexamination effective date. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The City will use current circumstances to determine anticipated income for the coming 12-month period. The City will use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income)
- The City believes that past income is the best available indicator of expected future income.

The City will use participant provided documentation or request that participant request information from a third party. In some instances, the City may request documentation from a third party.

Changes in Income

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the participant may present information and documentation to the City to show why the historic pattern does not represent the participant’s anticipated income.

Known Changes in Income

If the City verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date. In such a case the City would calculate annual income as follows: ($\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}$) + ($\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks}$).

6-I.D. Earned Income

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in earned income. For persons who regularly receive bonuses or commissions, the City will verify and then average amounts received for the 6 months preceding admission or reexamination.

6-I.E. Business Income

Annual income includes the net income from the operation of a business or profession. Schedule C of the IRS reporting will be used to determine business income. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will

be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the participant.

Withdrawal of Cash or Assets from a Business

Annual income will include the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a participant member for cash or assets invested in the business by the participant.

Co-owned Businesses

If a business is co-owned with someone outside the participant, the participant must document the share of the business it owns. If the participant's share of the income is lower than its share of ownership, the participant must document the reasons for the difference. Business income is calculated based on the participant's documented proportional share of the business assets and income.

6-I.F. Assets

Overview

Assets are defined as stock, interest, dividends, and other net income of any kind from real or personal property. This section discusses how assets are counted for POD. For most types of assets, the City must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

General Policies

Income from Assets

The City will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The City will use other current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the City believes that past income is the best indicator of anticipated income.

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the participant may present information and documentation to the City to show why the asset income determination does not represent the participant's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires the City to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a participant in a form recognizable as an asset (e.g., deposited in a savings or checking account). (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income.)

Imputing Income from Assets

When the participant has net assets in excess of \$5,000, the City will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is the total cash value of all participant assets multiplied by ten percent (10%).

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the City to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a participant receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the imputed income is determined by multiplying the market value of the account by ten percent (10%).

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment by the participant will be included in income.

Jointly Owned Assets

Annual income includes "amounts derived (during the 12-month period) from assets to which any member of the participant has access."

If an asset is owned by more than one person and any participant member has unrestricted access to the asset, the City will count the full value of the asset. A participant member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of other owners.

If an asset is owned by more than one person, including a participant member, but the participant member does not have unrestricted access to the asset, the City will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the City will prorate the asset evenly among all owners.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Participant Declaration

Participants must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The City may verify the value of the

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assets disposed of if other information is available to the City does not appear to agree with the information reported by the participant.

Types of Assets

Checking and Savings Accounts

The City will determine the cash value of checking and savings accounts as follows:

- The value of a checking account will be based on the current balance.
- The value of a savings account will be based on the current balance.
- When the household has net assets in excess of \$5,000, the imputed income from an interest-bearing checking or savings account will be based on multiplying the cash value of the account by ten percent (10%).

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

In determining the market value of an investment account, the City will use the value of the account on the most recent investment report. Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash. When the household has net assets in excess of \$5,000, imputed income from investment accounts will be calculated by multiplying the market value asset by ten percent (10%).

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. In determining the equity, the City will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The City will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the City will use the basic loan balance information to deduct from the market value in the equity calculation. Equity in real property and other capital investments is considered in the calculation of asset income.

A participant may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a participant member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a participant member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the participant in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

In the case of capital investments owned jointly with others not living in a participant's unit, a prorated share of the property's cash value will be counted as an asset unless the City determines

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that the participant receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a participant has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the participant or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a participant, the value of the trust fund is not considered an asset. However, any income distributed to the participant from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate.

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the City must know whether the money is accessible before retirement. While a participant member is employed, only the amount the participant member can withdraw without retiring or terminating employment is counted as an asset. After a participant member retires or terminates employment, any amount distributed to the participant member is counted as a periodic payment or a lump-sum receipt, as appropriate except to the extent that it represents funds invested in the account by the participant member. The balance in the account is counted as an asset only if it remains accessible to the participant member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique/classic cars, luxury vehicles valued at \$5,000.00 or higher, etc., is considered an asset.

In determining the value of personal property held as an investment, the City will use the participant's estimate of the value. The City may use other general practice methods to confirm the value of the asset if there is reason to believe that the participant's estimated value is off by \$100 or more. In the event it is necessary to establish the value of personal property held for investment the participant must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

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Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets.

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles other than antique/classic and luxury vehicles as described above, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a participant member before death, such as a whole life or universal life policy is included in the calculation of the value of the participant's assets. The cash value is the surrender value. If such a policy earns dividends or interest that the participant could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the participant actually receives it.

Annuities

An "annuity" is a contract between a person and a life insurance company. An annuity accumulates and invests money and pays it out as income over time. An annuity may have a cash value countable as an asset or is providing income. An annuity may be either an asset or it may be providing income but an annuity is **never** both income and an asset at the same time.

Annuities have two distinct phases: the first is the accumulation phase (money is deposited in a lump sum or contributed over time in regular installments and grows through investment) and the second phase is the payout (or "annuitization") period during which regular payments are made to the owner of the annuity usually for a specified period of time or the life of the annuity's owner, whichever is longer. Once the contract is "annuitized," and payments begin, it no longer has a "cash value" and it cannot (under any circumstance) be "cashed in." Payments are usually monthly, but they can also be quarterly or annual.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions.
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum

or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income.

DISTRIBUTIONS FROM IRREVOCABLE TRUSTS WHEN PRINCIPAL CONSISTS OF LUMP-SUMS EXCLUDED FROM INCOME

Periodic payments in the form of distributions to a participant are not counted in annual income when those distributions are from the principal of an irrevocable trust (such as a special needs trust) and when the principal consists of lump-sum additions to participant assets excluded from annual income. Any interest accruing from such lump-sum additions are included in annual income.

Periodic Payments Excluded from Annual Income

Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted participant, who are unable to live alone). Kinship guardianship assistance payments (Kin-Gap) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income. The City will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency.

- Amounts paid by a state agency to a participant 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 participant member at home.
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)).
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q).
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)). *Note:* EITC may be paid periodically if the participant elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.).
- Lump sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs.

6-I.I. Payments in Lieu of Earnings

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts.

6-I.J. Welfare Assistance

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Notwithstanding the above, the value of CalFresh assistance will not be counted as income until the CalFresh assistance amount is no longer reduced because of the POD assistance.

Alimony and Child Support

The City must count alimony or child support amounts awarded as part of a divorce or separation agreement. The City will count court-awarded amounts for alimony and child support unless the City verifies that: (1) the payments are not being made, and (2) the participant has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments. Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The City must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted participant. Temporary, nonrecurring, or sporadic income and gifts are not counted.

Any contribution or gift received more than three times per year will be considered a “regular” contribution or gift, unless the amount is less than \$100 per occurrence. This includes rent and utility payments made on behalf of the participant and other cash or non-cash contributions provided on a regular basis.

PART II: BASIC NEEDS BUDGET

6-II.A. UCLA Elder Index and POD Basic Needs Budget

The Elder Economic Security Standard™ Index (EI) was developed by the UCLA Center for Health Policy Research and is the basis of the City’s POD Basic Needs Budget (BNB). The Basic Needs Budget Method is based on a modified-for-Santa Monica version of the 2015 UCLA Elder Index, which aims to equalize the remaining amount of income each household retains after paying rent.

Specifically, the City uses the expenses in the Elder Index other than the line item for “housing costs,” which includes rent and utilities. The amount of rent paid by participants in the POD program is known, therefore, the City of Santa Monica uses the “after rent” expenses from the Elder Index to develop the Basic Needs Budget. The POD program After-Rent BNB is developed

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by excluding the housing cost expense, adding in a utility expense (based on information derived from the Housing Authority’s Section 8 voucher program), and adjusting the transportation expense to reflect the cost of a senior monthly bus pass (Big Blue Bus EZ Transit Pass - Zone 1).

POD PILOT 2 AFTER-RENT BASIC NEEDS BUDGET		
Expense	PILOT 2	
	1-person HH	2-person HH
Food	\$269	\$499
Healthcare	\$162	\$324
Transportation	\$52	\$103
Utilities	\$44	\$63
Miscellaneous	\$220	\$317
Total Monthly POD After-Rent Basic Needs Budget	\$747	\$1,306
Maximum Pilot 2 Assistance:	\$700	\$1,225

PART III: After Rent Basic Needs Budget and Calculating the Cash-Based Assistance

6-II.B. After-Rent Basic Need Budget and Maximum Assistance

The table above shows both the After-Rent BNB and the maximum amount of assistance provided to participants in the POD Pilot 2 program.

Cash-Based Assistance Formula

The formula for the amount of cash-based assistance provided to a household is calculated as follows (with adjustments for household size):

- Total Monthly Income Minus Monthly Rent = Monthly After-Rent Income
- Monthly After-Rent Basic Needs Budget (**not to exceed \$700 for a 1-person household or \$1,225 for a 2-person household**) Minus Monthly After-Rent Income = Monthly Cash-Based Assistance

CHAPTER 7: VERIFICATION

Introduction

The City must verify all information that is used to establish the household's eligibility and level of assistance and requires written authorization from the household to collect information necessary to determine eligibility. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance.

Part I describes the general verification process. Part II provides more detailed requirements. All information obtained through the verification process will be handled in accordance with the records management policies of the City.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. Participant Consent to Release of Information

The participant must supply any information that the City determines is necessary to the administration of the program and must consent to City verification of that information.

Consent Forms

All adult applicants and participants are required to sign POD program consent forms to release and obtain information.

Penalties for Failing to Consent

If any household member who is required to sign a consent form fails to do so, the City will deny admission to applicants and terminate assistance of participants. In these cases, an informal review is not required to be offered.

7-I.B. Overview of Verification Requirements

Verification Hierarchy

Requirements for Acceptable Documents

Any documents used for verification must generally be dated within 90 days of the City request. The City will accept documents not dated within 90 days of the request if the documents can reasonably be expected to verify current circumstances. The documents must not be damaged, altered or in any way illegible. If the applicant or participant initially supplies the City with copies, the City reserves the right to ask for the original document copies. Print-outs and documents in Portable Document Format (PDFs) from web pages are considered original documents. The staff member who views the original document must scan the document into the City secure records retention system. Any participant self-certifications must be made in a format acceptable to the City and must be signed in the presence of a City representative or a notary public.

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File Documentation

The City must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the participant’s file in sufficient detail to demonstrate that the City has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or auditor to understand the process followed and conclusions reached.

The City will document, in the participant file, the following:

- Reported participant annual income
- Value of assets

When the City is unable to obtain third- party verification, the City will document in the participant file the reason that third-party verification was not obtained.

7-I.C. Self-certification

Self-certification, or “tenant declaration,” is used as a last resort when the City is unable to obtain third-party verification of income or assets. When information cannot be verified by a third party or by review of documents, participant members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the City. The City may require a participant to certify that they do not receive a particular type of income or benefit. The self-certification must be made in a format acceptable to the City and must be signed by the participant member whose information or status is being verified. All self-certifications must be signed in the presence of a City representative.

PART II: VERIFYING PARTICIPANT INFORMATION

7-II.A. Verification of Legal Identity

The City will require participants to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current employer identification card, Social Security card, employment photo ID	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records Baptismal records

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If a document submitted by a participant is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the City's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the City and be signed in the presence of a City representative.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the City has reason to doubt the identity of a person representing him or herself to be a participant.

7-II.B. Social Security Numbers and Individual Taxpayer Identification Numbers

The participant must provide documentation of their valid social security number (SSN) or individual taxpayer identification number (ITIN).

The City will accept the following documentation as acceptable evidence of the social security number or individual taxpayer identification number:

- An original SSN card issued by the Social Security Administration (SSA) or an original ITIN authorization letter issued by the Internal Revenue Service (IRS)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original IRS-issued document, which contains the name and ITIN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN or ITIN of the individual
- Two years of 1099 IRS forms or income tax returns

The City may only reject documentation of an SSN or ITIN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged. The City will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN or ITIN to the City within 90 days.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN or ITIN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The City may not add the new household member until such documentation is provided.

For every participant member age 6 or older, the participant must provide documentation of a valid social security number (SSN) or individual taxpayer identification number (ITIN). If the participant reports an SSN or ITIN but cannot provide acceptable documentation of the number the participant cannot be provided assistance from POD until proper documentation of the SSN or ITIN is provided. The City will instruct the participant to obtain a duplicate card from the local Social Security Administration (SSA) office or a duplicate ITIN authorization letter from the Internal Revenue Service (IRS).

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Social security numbers and individual taxpayer identification numbers must be verified only once during continuously-assisted occupancy.

7-II.C. Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification. For elderly participant members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

If an official record of birth or evidence of social security retirement benefits cannot be provided, the City will require the participant to submit other documents that support the reported age of the participant member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. Participant Relationships

Participants are required to identify the relationship of household members to the participant. The City may require participants and household members to submit self-certifications attesting to the relationship. Relationships are verified only to the extent necessary to determine a participant's eligibility and level of assistance.

Certification by the participant is normally sufficient verification. If the City has reasonable doubts about a household member's relationship to a participant, the City may require the household to provide additional documentation to the extent necessary to determine a participant's eligibility and level of assistance.

Roommates

To verify a household member's status as a roommate, the City may require one or more of the following types of documents: lease, written roommate agreement, cancelled rent checks, or rent payment receipts.

The City will require roommates to certify that they do not provide financial support to a participant outside of the obligation to pay rent as specified by a roommate agreement.

Live-In Aides

To verify a household's member's status as a live-in aide, the participant and live-in aide will be required to complete a Live-In Aide Agreement certification form stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. The certification must be completed at program admission and before adding a new live-in aide to the household.

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If the City has reasonable doubts about a household member's live-in aide status, the City may require the household to provide additional documentation only to the extent necessary to verify the household member's status as a live-in aide.

7-II.E. Residency

In order to verify that a household member is a current resident occupying the unit, the City will require at least two of the following types of documents to verify residency: rental agreements or leases, cancelled rent checks, rent payment receipts, utility bills, employer or agency records, state-issued identification, voter registration records, DMV vehicle registration, income tax documents, cell phone bill, or credit card bill.

If the City has reasonable doubts about the residency status of a participant or other household member, the City may require the household to provide additional documentation only to the extent necessary to verify the household member's status as a resident.

The City will also verify the household's rent control status by comparing the unit address with the Santa Monica Rent Control Department's records of rent-controlled units.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the participant must be verified. This part provides City policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. Earned Income

As verification of earned income, the City will require the three most current consecutive pay stubs dated within a 90-day period prior to the City's request. In the event that 3 consecutive pay stubs dated within the 90-day period are unavailable as a result of the employer's payroll schedule (i.e. the employer pays on a monthly basis), the City will utilize all available pay stubs dated within the 90-day period plus any additional pay stubs up to 90 days old to provide a total of 3 consecutive pay stubs.

Wages

For wages other than tips, the participant must provide originals of the three most current, consecutive pay stubs.

Tips

Unless tip income is included in a participant member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

7-III.B. Business and Self-Employment Income

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The City will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy.

The City may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a participant has been self-employed less than three (3) months, the City will accept the participant's certified estimate of income. If the participant member has been self-employed for three (3) to twelve (12) months the City will require the participant to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. Periodic Payments and Payments in Lieu of Earnings

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the City will request a current (dated within the last 90 days) SSA benefit verification letter from participant that receives Social Security benefits. The City will accept SSA benefit verification letters not dated within the last 90 days if the letters can reasonably be expected to verify current benefits. If the participant is unable to provide the document(s), the City will ask the participant to request one by calling SSA at 1-800-722-1213. Once the applicant has received the benefit verification letter, they will be required to provide it to the City.

7-III.D. Alimony or Child Support

The methods the City will use to verify alimony and child support payments differ depending on whether the participant declares that it receives regular payments.

If the participant declares that it *receives regular payments*, verification will be obtained in the following order of priority.

Copies of the receipts and/or payment stubs for the 60 days prior to City request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Participant's self-certification of amount received.

If the participant declares that it *receives irregular or no payments*, in addition to the verification process listed above, the participant must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the participant has requested enforcement and is cooperating with all enforcement efforts

If the participant has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the participant in these efforts

Note: Families are not required to undertake independent enforcement action.

CHAPTER 8: ALLOWABLE MOVES & OWNER POLICIES

This chapter covers policies related to requests to move by participants receiving assistance under the POD program and payments made to owners on behalf of POD participants.

PART I: ALLOWABLE MOVES

8-I.A. Overview

The POD Pilot 2 program provides household subsidies to long-term Santa Monica residents living in rent-controlled apartments. The program's goal is to stem displacement of extremely low- and very-low senior renters from the apartments they have lived in for decades. Generally, POD subsidies are not available to program participants when they end their tenancy in the rent-controlled unit that they resided in upon enrollment in the POD program.

Move requests from POD participants will be considered by the City if the following conditions are satisfied:

- If a reasonable accommodation request accompanies the move request.

Approval

Upon receipt of a participant's move request, the City will determine whether the move is approved. The City will notify the participant in writing of its determination within 15 business days following receipt of the move request.

8-I.B. Moving Process

Notification

If a participant wishes to move, the participant must provide a written notice to the City and the owner 30 days prior to moving and/or terminating the lease on notice to the owner. The participant has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise). If the participant terminates the lease on notice to the owner, the participant must give the City a copy of the notice at the same time.

If the owner has given the participant a notice to vacate, has commenced an action to evict the participant, or has obtained a court judgment or other process allowing the owner to evict the participant, the participant must immediately give the City a copy of any owner eviction notice. POD participants who do not provide the City with the required notification shall be required to repay the City of Santa Monica for overpayment of the POD assistance.

PART II: OWNERS IN THE PROGRAM

8-II.A. Overview

The City may make monthly POD assistance payments to the owner on behalf of the participant, at the beginning of each month for that month. Requests to pay owners on behalf of participants will be approved only on a case-by-case basis and must be made in writing.

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The City must notify the owner and the participant in writing of any changes to owner payments on behalf of the participant. Payments will only be made during the lease term, and only while the participant is residing in the unit. The monthly payment by the City will be credited toward the monthly rent. The participant is not responsible for payment of the POD payment, and the City is not responsible for payment of the participant's share of rent. The participant's share of the rent cannot be more than the difference between the rent to owner and the POD payment. If the owner receives any excess POD payments from the City, the excess amount must be returned immediately. If the City determines that the owner is not entitled to all or a portion of the POD payments, the City may deduct the amount of overpayment from any amounts due to the owner.

The City requires property owners receiving POD payments to participate in direct deposit. To begin direct deposit service, property owners must provide a completed direct deposit authorization form with the City.

8-II.B. Leasing to Relatives

The City must not approve a household's participation in the program if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the household. The City may make an exception as a reasonable accommodation for a participant member with a disability. This restriction applies at the time that the participant receives assistance under the program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved. In cases where the owner and tenant bear the same last name, the City may, at its discretion, require the participant and or owner to certify whether they are related to each other in any way.

8-II.C. Change in Ownership and Assignment of POD Payments to New Owners

An owner receiving POD payments on behalf of a program participant must notify the City in writing prior to a change in the legal ownership of the unit. The agreement between the new owner and the former owner must be in writing. The new owner must provide the City with documentation of the sale and or transfer of the property. The following documents will be requested for ownership changes: a copy of the new owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner; the effective date of the POD payments contract assignment; a written agreement to comply with the terms of the POD payments; and a certification that the new owner is not a prohibited relative.

CHAPTER 9: REEXAMINATIONS

Introduction

The City will reexamine income and composition at least every five years, and to adjust the participant's level of assistance accordingly. This chapter discusses reexaminations, and the recalculation of assistance that occurs as a result. City policies concerning reexaminations are presented in three parts:

Part I: 5-Year Reexaminations. This part discusses the process for conducting reexaminations.

Part II: Interim Reexaminations. This part details the requirements for participants to report changes in income and composition.

Part III: Recalculating Assistance Amount. This part discusses the recalculation of assistance amounts based on corrections.

PART I: 5-YEAR REEXAMINATIONS

9-I.A. Overview

The City will conduct a reexamination of income and household composition at least every five years. Based on updated information, the program assistance may be recalculated. This part discusses the schedule for reexaminations, the information to be collected and verified, and reexamination effective dates.

9-I. B. Effective Dates

This section establishes policies concerning the effective date of changes that result from the reexamination.

In general, an adjustment in the program assistance that results from the reexamination will take effect on the participant's anniversary date, and the participant will be notified in advance.

If there has been a misrepresentation or a material omission by the participant, or if the participant causes a delay in processing the reexamination, the effective date of the adjustment in program assistance may also be adjusted. Delays in reexamination processing are considered to be caused by the participant if the participant fails to provide information requested by the City by the date specified, and this delay prevents the City from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS

9-II.A. Overview

Participant circumstances may change between reexaminations. This section establishes what kinds of information about changes in participant circumstances must be reported, and under what circumstances the City must process interim reexaminations to reflect those changes.

This part includes policies describing what changes participants are required to report, what changes families report, and how the City will process the reporting participant -initiated interim reexaminations.

9-II.B. Changes

The participant is required to report all changes in household composition.

The City may conduct interim reexaminations to account for any changes in household composition that occur between reexaminations.

Participant is required to report significant changes in income, assets and household composition. “Significant” means an increase/decrease in gross monthly income of more than \$200. Participants are required to report in writing all increases in monthly income greater than \$200 and any new employment, within 10 business days of the date the change takes effect.

If the City receives a report from the participant that will result in changed income greater than \$200 per month, or a rent increase greater than \$100 per month, the City will adjust the assistance payment. Based on the type of change reported, the City will determine the documentation the participant will be required to submit. The participant must submit any required information or documents within 10 business days of receiving a request from the City. This time frame may be extended for good cause with City approval. The City will accept required documentation by mail, email, or in person.

9-II.C. Processing the Interim Reexamination

Method of Reporting

The participant must notify the City of changes in writing. If the participant reports a change that will result in reduced participant income greater than \$200 per month, or a rent increase greater than \$100 per month, the City will adjust the POD assistance.

Effective Dates

An adjustment to the amount of program assistance may be applied either retroactively or prospectively, depending on whether the assistance will be increased or a decreased, and whether the participant reported any required information within the required time frames. Generally, if the amount of program assistance will decrease and the participant reported a change in circumstance within the required timeframe, the effective date of the adjustment will be the first of the month

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following 30 days' notice to the participant. However, if the participant did not report a change in circumstance within the required timeframe, the adjustment may be applied retroactively. The participant must notify the City of changes in writing.

PART III: RECALCULATING PROGRAM ASSISTANCE AMOUNT

The City may discover that information previously reported by the participant was in error, or that the participant intentionally misrepresented information. In addition, the City may discover errors made by the City. When errors resulting in the overpayment or underpayment of program assistance are discovered, corrections will be made in accordance with the policies.

CHAPTER 10: TERMINATION OF ASSISTANCE AND TENANCY

INTRODUCTION

This chapter specifies grounds for which the City can terminate a participant's assistance. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the participant or by the City.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the City will use in evaluating decisions to terminate assistance due to actions or inactions of the participant. It specifies the alternatives that the City may consider in lieu of termination, the criteria the City will use when deciding what action to take and the steps the City must take when terminating a participant's assistance.

PART 1: GROUNDS FOR TERMINATION OF ASSISTANCE

10-I.A. Overview

The City may terminate assistance for certain actions and inactions of the participant and when the participant no longer qualifies for assistance due to increases in participant income or assets. In addition, a participant may decide to withdraw from the POD program and terminate their assistance at any time by notifying the City.

10-I.B. Participant No Longer Requires Assistance

The participant's assistance amount is calculated based on income and rent. If due to an income increase or a rent decrease, the amount of assistance is reduced to \$0, the participant's assistance terminates automatically within 30 days after the last assistance payment.

10-I.C. Participant Chooses to Terminate Assistance

The participant may request that the City terminate the assistance at any time. The request to terminate assistance shall be made in writing and signed by the participant. The City will terminate assistance as soon as operationally feasible, but no more than 30 days after receipt of the request.

The City may terminate assistance under a number of other circumstances as follows:

Failure to Provide Consent

The City must terminate assistance if any household member fails to sign and submit any consent forms they are required to sign. An informal review is not required to be offered in these instances.

Failure to Disclose and Document Social Security Numbers or Individual Taxpayer Identification Numbers

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The City must terminate assistance if a participant failed to disclose their complete and accurate social security numbers or individual taxpayer identification numbers.

Eviction

The City will terminate assistance whenever a participant is lawfully evicted from the apartment they occupied at enrollment. A participant will be considered evicted if the property owner has an unconditional judgment to evict the participant, and a writ of possession is issued by the court, and the sheriff posts a notice to vacate and the sheriff physically locks the tenant out or the tenant moves in response to that notice to vacate. The POD program does not provide subsidies to participants who have moved due to a lawful eviction.

If a participant moves out after the owner has given the participant an eviction notice for serious lease violations but before a legal eviction order has been issued, the POD assistance will be terminated. If the City determines that the participant has been unlawfully evicted, the participant will be referred to the Santa Monica Housing Authority to determine eligibility for a Displaced Preference and referral.

Death of the Sole Participant Member

The City must immediately terminate program assistance for participants upon death.

Participant Absence from the Unit

The participant may be absent from the apartment for brief periods. The participant may not be absent from the apartment for a period of more than 90 consecutive calendar days for any reason. Absence in this context means that the participant is not residing in the apartment.

Insufficient Funding

The City may terminate POD subsidies if the City determines that funding is insufficient to continue the program or to continue the program at a certain level. The City will terminate the minimum number of households needed to reduce program costs to a level within the City's budget authority. If the City must terminate contracts due to insufficient program funding, the City will do so in accordance with the following criteria and instructions:

The City will first terminate assistance to those with the smallest assistance amounts first.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

10-II.A. Overview

The City will terminate a participant's assistance for certain actions or inactions. This part discusses the various actions the City may choose to take when it has discretion, and outlines the criteria the City will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the participant of the City's intent to terminate assistance.

10-II.B. Method of Termination

Termination of assistance for a participant is defined as permanently ending the provision of the POD assistance to the participant.

The City will terminate a participant's assistance for certain actions or inactions. For other types of actions or inactions of the participant, the City may either terminate the assistance or take another action. This part discusses the various actions the City may choose to take when it has discretion, and outlines the criteria the City will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the participant of the City's intent to terminate assistance.

10-II.C. Criteria for Deciding to Terminate Assistance

Consideration of Circumstances

The City will consider the following facts and circumstances when making its decision to terminate assistance:

The City will consider the extent of participation or culpability of individual participant, members, including whether the culpable participant is a person with disabilities or is a victim of domestic violence, dating violence, sexual assault, or stalking.

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the household's recent history and the likelihood of favorable conduct in the future.

The City will consider the following facts and circumstances when making its decision to terminate assistance: City may also consider:

- Any statements made by witnesses or the participant;
- Whether criminal charges were filed;
- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal; and
- Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity.

Evidence of criminal conduct will be considered if it indicated a demonstrable risk to safety and/or property

In the case of program abuse, the dollar amount of the overpaid assistance and whether a false certification was signed by the participant may also be considered.

If a participant owes amounts to the City, as a condition of continued assistance, the City will require the participant to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the City of the amount owed.

10-II.D. Termination Notice

Whenever a participant's assistance will be terminated, the City will send a written notice of termination to the participant and to the owner (only if payment was made to the owner). The notice will state the termination effective date. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever City programs, policies or the circumstances surrounding the termination require. If a participant indicates that the behavior of a household member with a disability is related to the reason for a proposed termination of assistance, the City will determine whether there is a nexus between the disability and the behavior. If so, upon the participant's request, the City will determine whether alternative measures are appropriate as a reasonable accommodation. The City will only consider accommodations that can reasonably be expected to address behavior that is the basis of the proposed termination of assistance.

Reasonable Accommodation

If the participant includes a person with disabilities, the City's decision to terminate the participant's assistance is subject to consideration of reasonable accommodation. If a participant indicates that the behavior of a household member with a disability is related to the reason for a proposed termination of assistance, the City will determine whether there is a nexus between the disability and the behavior. If so, upon the participant's request, the City will determine whether alternative measures are appropriate as a reasonable accommodation. The City will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance.

CHAPTER 11: PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this Policies and Procedures Manual. The policies are discussed in two parts as described below:

Part I: Informal Reviews. This part outlines the requirements and procedures for informal reviews.

Part II: Recordkeeping. All aspects of the program involve certain types of recordkeeping. This part outlines the privacy rights of POD program applicants and participants and record retention policies the City will follow.

PART I: INFORMAL REVIEWS

11-I.A. Overview

POD program applicants and participants have the right to disagree with, and appeal, certain decisions of the City that may adversely affect them. City decisions that may be appealed by applicants and participants are discussed in this section. The process for appeals of City decisions with regard to the POD program is called the “informal review.”

11-I.B. Informal Reviews

Informal reviews of certain decisions are provided for both POD program applicants and participants. An applicant is someone who has completed the full application and has been selected in the lottery but is not yet a participant in the program. A participant is someone who has been admitted to the POD program and is currently assisted in the program.

Decisions Subject to Informal Review

The City must give an applicant or participant the opportunity for an informal review of certain decisions denying or withdrawing assistance. Denial or withdrawal of assistance may include the following:

- A determination that a household is ineligible after they complete the full application and their application is selected in the lottery
- A determination of the household’s annual income, and the use of such income to compute the POD cash-based assistance at program admission or reexamination
- A determination to withdraw assistance because of the participant’s actions or failure to act, except for the failure to sign required consent forms
- A determination to withdraw assistance because a participant has been absent from the unit for longer than 90 consecutive calendar days

Informal reviews are not required for the following reasons:

- Denying placement on the POD waiting list
- Removing households from the POD waiting list for failure to respond to a written request by a specified deadline or when correspondence is returned by the U.S. Postal Service
- Denying or withdrawing assistance to households that have become participants of any other City housing program
- Denying or withdrawing assistance for failure to sign required consent forms
- Establishment of the POD program Basic Needs Budget and cash-based assistance formula
- A determination of the participant household size under the POD Pilot 2 standards
- Discretionary administrative determinations by the City
- General policy issues or class grievances

The City will only offer applicants and participants the opportunity for an informal review when required by the POD Pilot 2 program policies and procedures.

Notice to the Applicant or Participant

The City must give applicants and participants prompt notice of a decision denying or withdrawing assistance. The notice must contain a brief statement of the reasons for the City decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review. In accordance with policies for Persons with Limited English Proficiency (LEP) in Chapter 2, a translated version of the notification of denial of assistance, and other appropriate language assistance, will be provided to LEP applicants and participants.

Scheduling an Informal Review

A request for an informal review must be made in writing, specify the determination being disputed, and delivered to the City either in person, by first class mail, or by email by the close of the business day, no later than 10 business days from the date of the City's denial or withdrawal of assistance.

The City must schedule and send written notice of the informal review within 15 business days of the household's request.

Informal Review Procedures

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant or participant must be provided an opportunity to present written or oral objections to the decision of the City.

Free language assistance will be provided for LEP applicants and participants, in accordance with the LEP policies in Chapter 2.

Informal Review Decision

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The City must notify the applicant or participant of the City's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the City will evaluate the following matters:

- Whether or not the grounds for denial or withdrawal were stated factually in the notice to the household.
- The validity of the grounds for denial or withdrawal of assistance. If the grounds for denial are not specified in the POD program policies and procedures, then the decision to deny or withdraw assistance will be overturned.
- The validity of the evidence. The City will evaluate whether the facts presented prove the grounds for denial or withdrawal of assistance. If the facts prove that there are grounds for denial or withdrawal, the City will uphold the decision to deny or withdraw assistance.
- If the facts prove the grounds for denial or withdrawal, and the denial or withdrawal is discretionary, the City will consider the recommendation of the person conducting the informal review in making the final decision whether to deny or withdraw assistance.

The City will notify the applicant or participant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 15 business days of the informal review, to the applicant or participant, and his or her representative, if any, along with proof of mailing.

If the decision to deny or withdraw assistance is overturned as a result of the informal review, the process for admission or continued participation will resume.

If the household fails to appear or present written or oral objections to the decision of the City for their informal review, the denial or withdrawal of assistance will stand and the family will be so notified.

PART II: RECORDKEEPING

11-II.A. Overview

The City must maintain complete and accurate accounts and other records for the program in a manner that permits a speedy and effective audit.

In addition, the City must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

11-II.B. Records Management

All applicant and program information will be kept electronically in a secure location and access will be limited to authorized City staff.

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City staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Requirements

The collection, maintenance, use, and dissemination of social security numbers (SSN), individual taxpayer identification numbers (ITIN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with all provisions of Federal, State, and local law.

Applicants and participants, including all other members of the household, are required to sign a consent form authorizing the release of information. This form will describe how the information collected using the form may be used, and under what conditions the City may release the information collected.

Criminal Records

The City will not collect criminal records of POD program applicants and participants. For purposes of determining eligibility, the City will only maintain a record of the type of screening performed, the date the screening was performed, and whether the applicant or participant met the requirements for eligibility in Chapter 3.

Medical/Disability Records

The City may not inquire about the nature or extent of a person's disability. The City may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the City receives a verification document that provides such information, the City should not place this information in the participant's file. The City should destroy this document or redact the information.