

Residential Lease Agreement Addendum

Public Housing Program Obligations



1 It is expressly agreed by the parties that this Addendum is supplemental to the
2 Residential Lease Agreement (hereinafter "Lease").

3 **1. Family Information and Verification**

4 Tenant agrees to supply AHFC, upon request or as required, necessary information
5 about all household members including age, citizenship status, social security number,
6 income and income sources, and related information necessary to determine continuing
7 eligibility, rent, and compliance with public housing program requirements. Any
8 information the Tenant supplies must be true and complete. Tenant agrees to sign and
9 submit consent forms for obtaining information.

10 **1. Family Classifications**

11 AHFC divides participating families in the Public Housing program into two
12 classifications according to their family composition. A family's program classification
13 may change based on changes in family composition.

14 **1.A Classic Program**

15 All adult family members are at least 62 years of age or a person with a disability. These
16 families may include minors, dependent full-time students under the age of 24, and
17 persons residing with the family as live-in aides. Families in the Classic program pay an
18 income-based rent. They are not subject to time limits.

19 **1.B Step Program**

20 All families that do not meet the Classic Program definition are placed in this category.
21 These are families that contain a work-able adult. Rental assistance in the Step program
22 is limited to **five (5) years**. A family's rental assistance clock begins with the date of
23 their initial leasing. For families transitioning to a time-limited program, the rental
24 assistance clock begins with the Lease Term effective date **of this Addendum** cited in
25 **Part 2 of the Residential Lease Agreement or the Effective Date cited in the Residential**
26 **Lease Agreement Addendum.**

27 **Once a Step Program Tenant reaches the end of their five years of assistance, the Tenant**
28 **may continue to lease the dwelling unit from AHFC. AHFC will offer the Tenant a one-**
29 **year lease renewal at 100 percent of the Contract Rent rate. At the end of the Contract**
30 **Rent rate term, AHFC will charge offer the Tenant a lease renewal with a market-based**
31 **rent (Market Rent). AHFC will provide the Tenant with written notice of the applicable**



1 ~~market-based rent at least 120 days prior to the end of their fifth year of participation in~~
2 ~~the Step Program.~~ Tenants paying Contract or Market Rent must continue to meet all
3 obligations outlined in this addendum. See Rent Adjustments section below for written
4 notice.

5 **2. Tenant Rent**

6 A Tenant is required to contribute a portion of ~~their~~ his/her income toward ~~their~~
7 his/her shelter cost each month. The Tenant's contribution is ~~based on~~ determined
8 according to ~~their~~ his/her program classification. The amount paid by the tenant to
9 AHFC as rent (Tenant rent), once determined, will remain in effect between regular
10 examinations.

11 **1. Income-Based Tenant Rent**

12 The income-based Tenant rent is the greater of:

- 13 ➤ 28.5 percent of the family's anticipated gross monthly income; or
- 14 ➤ The AHFC Board Approved Minimum Rent (\$25 for Classic; \$100 for Step).

15 For families on an income-based rent, a utility allowance will be provided for tenant-
16 paid utilities. If the utility allowance exceeds the family's minimum required
17 contribution, the Tenant rent is zero dollars (\$0).

18 **1.A Income-Based Rent Limit**

19 If a Tenant's income-based rent is greater than the Contract Rent for the dwelling unit,
20 the Tenant rent will be capped at the ~~level of the~~ Contract Rent for the dwelling unit.
21 The Contract Rent includes any applicable utility allowance.

22 **1.B Step Program Fixed Rent Schedule**

23 During the first year, the Tenant rent will be income-based. During the Tenant's second
24 through fifth year of participation, the Tenant rent is based on the following schedule:

- 25 ➤ **Year Two:** Tenant pays 40 percent of the applicable Contract Rent
- 26 ➤ **Year Three:** Tenant pays 50 percent of the applicable Contract Rent
- 27 ➤ **Year Four:** Tenant pays 60 percent of the applicable Contract Rent
- 28 ➤ **Year Five:** Tenant pays 70 percent of the applicable Contract Rent

29 **Exception to Years Two through Year Five Rent Schedules:** If the income-based Tenant
30 rent paid in the first year under the Step Program is **greater than** the rent that would be
31 applicable in ~~the~~ subsequent year(s) of their participation, the family's rent will **not**
32 **decrease**. The Tenant rent will remain the same as that paid during the first year until
33 the Tenant reaches a year on the schedule in which their rent will increase.

1.C Contract and Market Rent Changes

Contract and Market Rents are evaluated by AHFC and subject to change on an annual basis. When Contract or Market Rents are revised, Tenants paying Contract or Market Rent will be provided with a written sixty (60) day notice of AHFC's adoption of a new market rent for their dwelling unit.

- Any increase in the Contract or Market Rent will be effective with the family's next regular examination.
- Decreases in the Contract or Market Rent may be applied at AHFC's discretion.

1.D Rent Adjustments

Full compliance by the family with the examination process will ensure a 30-day notice of any rent change and an opportunity for a grievance hearing prior to the effective date of the change. To be in full compliance, the family must complete the examination at least 30 days before the scheduled effective date of the examination. Families who do not fully comply with the examination process are no longer eligible to receive a full 30-day notice. Those families may not receive a Grievance Hearing prior to the increase. Additionally, failure to complete the regular examination process may result in termination of assistance.

2. Examinations

AHFC will examine the status of each household and compute Tenant rent in accordance with the Public Housing Admissions and Occupancy Policy. All adult household members must comply by attending all appointments and/or providing all necessary documentation to complete the examination process within the deadlines established by AHFC.

2.A Frequency of Examinations

AHFC will conduct regular examinations of each household's income and composition:

- **Classic** - at least triennially
- **Step** - at least annually

2.B Special Examinations

AHFC may require a Tenant to attend a special examination under the following situations:

- There is reason to believe a family has not fully disclosed all income or accurate family composition;
- A family has income from a source that is very difficult to anticipate (i.e., just started a business, just began working on-call, etc.). The frequency for completion of special examinations in this circumstance is up to the discretion of AHFC staff when considering the nature of the income reported.
- A family reports an imminent change during the regular examination process.

1 **2.C Income Changes Between Regular Examinations**

2 Families are not required to report changes in income between regular examinations. If
3 a rent increase is necessary due to Tenant misrepresentation of household income,
4 AHFC may apply the increase retroactive to the first of the month following the month
5 in which the misrepresentation occurred. If the misrepresentation is fraudulent, AHFC
6 may terminate the Lease and obtain all other remedies permitted by law.

7 **2.C.1. Step Program**

8 AHFC will not complete interim changes in rent based solely on changes to household
9 income between regular examinations.

10 **2.C.2. Classic Program**

11 Classic families who experience a decrease in gross annual income may request an
12 interim rent change. Changes must:

- 13 ➤ Be expected to last for more than 30 days and
- 14 ➤ Result from the loss of an unearned income source or reduction or loss of earned
15 income

16 All requests require verification and must be made to AHFC in writing. The family will
17 also be required to certify that family total gross income has decreased. The following
18 types of income changes are not eligible for an interim decrease:

- 19 ➤ Fluctuations in permanent fund dividends or Native distributions;
- 20 ➤ Income sources that are annualized based on the prior year's receipts (seasonal
21 slow-downs, layoffs, or employment such as fishery work, school bus drivers, or
22 teachers) unless the loss of income is anticipated to be permanent;
- 23 ➤ Changes in HUD-excluded income sources.

24 Families receiving an interim rent decrease will be scheduled for a full examination on
25 the first anniversary of the regular examination date following completion of the
26 decrease. The family will then be eligible to be returned to the triennial examination
27 schedule.

28 **2.D Family Composition Changes Between Regular Examinations**

29 Following the Tenant's report of a family member moving out of the dwelling unit,
30 additions to the family due to birth or adoption, or upon AHFC approval of additions
31 to the Tenant family, AHFC will process a change in family composition. AHFC and
32 Tenant will sign a Residential Lease Agreement Addendum to reflect the change(s) in
33 family members.

1 **2.D.1. Occupancy Standard**

2 If a reported change results in a change to the family’s unit size, the family may be
3 placed on a transfer list for the appropriate size unit. Families on the Step Program will
4 continue to pay rent based on the Contract Rent for the size of unit they occupy.

5 **2.D.2. Rent Change Due to Family Member Removal**

6 When a family is paying an income-based rent, AHFC will process a change in income
7 due to a family member’s removal from the Lease **only** under the following
8 circumstances:

- 9 ➤ AHFC has removed a family member that is a perpetrator of domestic violence
10 against another family member. AHFC will remove this individual’s income
11 from the household. This individual will not be allowed to return to the
12 household or AHFC property.
- 13 ➤ When minors have permanently left the household.
- 14 ➤ With proper documentation, when a family member has died.
- 15 ➤ For Classic Program families, see section 2.C.2 above.

16 Any change in rent will be effective at the beginning of the month immediately
17 following the removal of the family member from the Lease.

18 **2.D.3. Addition of a Work-Able Adult – Classic Program**

19 The addition of a work-able adult to a Classic family will result in the change of the
20 family’s program designation from Classic to Step at the family’s next Lease
21 anniversary date. A full examination of family composition and income will be
22 completed to prepare the family for entry into the Step program. Any change in tenant
23 rent resulting from the examination and the Residential Lease Agreement Addendum
24 designating the change in program will be effective on the Lease anniversary date. The
25 Tenant will be subject to all requirements under the Step Program.

26 **3. Hardship Processes**

27 AHFC provides processes for families experiencing a hardship paying their rent due to
28 the application of AHFC’s Minimum Rent, changes in rent calculation procedures
29 implemented under Moving to Work, or other extraordinary family circumstances.
30 Tenant has been provided with a copy of available procedures. Families paying
31 Contract or Market Rent are not eligible for hardship consideration.

32 **4. Financial Literacy Requirement - Step Program**

33 At least one adult family member must complete AHFC’s financial literacy requirement
34 during their first year of participation in the Step Program. Tenant has been provided
35 with a copy of this requirement.

1 **4.A Noncompliance**

2 Tenants that fail to complete the financial literacy requirement during the first year of
3 their participation will be given written notice of such noncompliance. AHFC will offer
4 the noncompliant Tenant the opportunity to cure by completing the financial literacy
5 requirement during their second year of participation in the Step Program.

6 **4.B Termination of Assistance for Noncompliance**

7 Failure on the part of the Tenant to complete the financial literacy requirement during
8 the second year will not result in the termination of the Lease, but will result in AHFC's
9 termination of the family's rental assistance. The Tenant rent will increase to the
10 applicable Market Rent at the beginning of the Tenant's third year of participation in
11 the Step Program.

12 **5. Community Service Requirement**

13 Each adult family member (ages 18 to 61), regardless of family classification (Classic,
14 Step, or Market), must verify annually that she/he either is in compliance with or
15 exempt from the community service requirement.

- 16 ➤ Family members of tenant families are exempt from this requirement if they are
- 17 under the age of 18 or meet a factor in the definition of an Exempt Adult.
- 18 ➤ AHFC may require an adult claiming an exemption to verify the qualifying
- 19 condition.

20 All community service activities must be performed within the local AHFC office's
21 jurisdiction. AHFC is the final arbiter of whether an activity will count toward the
22 community service requirement.

23 **5.A Community Service Definition**

24 The performance of voluntary work or duties that are a public benefit, and that serve to
25 improve the quality of life, enhance resident self-sufficiency, or increase resident self-
26 responsibility in the community. Community service is not employment and may not
27 include political activities.

28 **5.B Economic Self-Sufficiency Definition**

29 Defined by HUD as: "Any program designed to encourage, assist, train or facilitate
30 economic independence of assisted families or to provide work for such families. These
31 programs include programs for job training, employment counseling, work placement,
32 basic skills training, education, English proficiency, workfare, financial or household
33 management, apprenticeship, and any program necessary to ready a participant for
34 work (including a substance abuse or mental health treatment program), or other work
35 activities."

1 **5.C Exempt Adult**

An individual who:

- 2 1. Is 62 years or older;
- 3 2.
 - 4 a) Is a blind or disabled individual, as defined under 216(i)(1) or 1614 of the
 - 5 Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who certifies that
 - 6 because of this disability she or he is unable to comply with the service
 - 7 provisions of this subpart, or
 - 8 b) Is a primary caretaker of such individual;
- 9 3. Is engaged in one of the work activities defined in section 407(d) of the Social
- 10 Security Act. To meet the minimum standard for items a through k below, the
- 11 individual must participate in one or more of those work activities at least 30
- 12 hours per week.
 - 13 a) Unsubsidized employment. The individual must contribute a minimum of
 - 14 30 hours per week toward the activity.
 - 15 b) Subsidized private-sector employment;
 - 16 c) Subsidized public-sector employment;
 - 17 d) Work experience (including work associated with the refurbishing of
 - 18 publicly assisted housing) if sufficient private sector employment is not
 - 19 available;
 - 20 e) On-the-job-training;
 - 21 f) Job-search and job-readiness assistance;
 - 22 g) Vocational educational training (not to exceed 12 months with respect to
 - 23 any individual);
 - 24 h) Job-skills training or education directly related to employment;
 - 25 i) Satisfactory attendance at secondary school or in a course of study leading
 - 26 to a certificate of general equivalence, in the case of a recipient who has
 - 27 not completed secondary school or received such a certificate;
- 28 4. Meets the requirements for being exempted from having to engage in a work
- 29 activity under the State program funded under part A of Title IV of the Social
- 30 Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the
- 31 State in which the PHA is located, including a State-administered welfare-to-
- 32 work program; or
- 33 5. Is a member of a family receiving assistance, benefits or services under a State
- 34 program funded under part A of title IV of the Social Security Act (42 U.S.C. 601
- 35 et seq.) or under any other welfare program of the State in which the PHA is
- 36 located, including a State-administered welfare-to-work program, and has not
- 37 been found by the State or other administering entity to be in noncompliance
- 38 with such a program.

39 ~~1. Individuals engaging in work activities at least 42 hours per month.~~

- ~~2. Individuals employed and earning at least \$3,875 per year (minimum wage (\$7.75) x 10 hours per week x 50 weeks).~~
- ~~3. Individuals in compliance with his/her Family Self-Sufficiency Plan receiving Alaska Temporary Assistance Program (ATAP) benefits or Temporary Assistance to Needy Families (TANF) benefits administered by an Alaska Native organization.~~
- ~~4. Individuals participating in a state-approved job training program.~~
- ~~5. Individuals receiving unemployment insurance benefits and actively looking for work.~~
- ~~6. Individuals who are full-time dependent students.~~
- ~~7. Individuals caring for a child or children under the age of 13 that enables the other parent or legal guardian in the household to work.~~
- ~~8. Individuals who are single, custodial parents caring for a child less than 12 months of age.~~
- ~~9. Individuals 62 years of age or older.~~
- ~~10. Individuals with a verified disability, and because of the disability, are unable to comply with the community service requirements.~~
- ~~11. Individuals who are the primary caretaker of a disabled person.~~

5.D Nonexempt Adult

Adults who are unable to certify to one of the categories above must ~~complete and certify their compliance with community service requirements annually. Each adult family member must~~ satisfy one of the following:

1. Participate in a community service activity for 8 hours per month; or
2. Participate in an economic self-sufficient activity for 8 hours per month; or
3. Perform 8 hours per month of combined activities as described in (1) and (2) above.

Community service hours may be accumulated monthly, at the minimum eight (8) hours per month or cumulatively, totaling a minimum of 96 hours during the 12-month Lease term. ~~Community service hours may be prorated over the year if a family member experiences any months of exempt status.~~

5.E Health or Medical Exemption

An individual who is temporarily unable to perform the required community service activity due to a health or medical condition is allowed to “make up” the hours in a subsequent period. The individual must be able to document the total required hours at the time of his/her regular examination appointment.

An individual, who is receiving TANF and participating in the self-sufficiency activities, who is determined temporarily exempt from the self-sufficiency requirement by the Division of Public Assistance, is not required to “make up” the hours. The family is required to provide documentation verifying any exempted period.

1 **5.F Home Schooling or Stay-at-Home Parent**

2 A parent who home-schools a child is not exempt from the community service
3 requirement. A stay-at-home parent is not exempt from the community service
4 requirement.

5 **5.G Military Families**

6 Adults in a military family are not exempt from the community service requirement
7 unless they meet the definition of an exempt adult.

8 **5.H Part-time or Seasonal Workers**

9 If an individual works less than full-time, the work activity must occur at least 30 hours
10 per week in order to be exempt. If the work activity is less than 30 hours per week, the
11 individual must perform community service.

12 Individuals who work full-time during certain months of the year and then do not work
13 during others are subject to the community service requirement during the months they
14 do not work. These individuals may be exempt during the months they do not work if
15 they are participating in another work activity listed under the Exempt Adult
16 definition.

17 **5.I Full- or Part-Time Students**

18 Full-time students who do not attend school during the summer months are subject to
19 the community service requirement whenever they are not in school. Students who do
20 not qualify as a full-time student are required to perform community service, even
21 while attending school.

22 This rule does not apply to dependent minors or minors who turn 18 and are still
23 attending high school.

24 **5.J Family Certification or Verification**

25 AHFC will review each adult family member's compliance with the community service
26 requirement at least 30 days prior to the Lease renewal date.

- 27 1. Each adult family member must verify that he or she is either in compliance with
28 or exempt from community service requirements at admission and prior to each
29 Lease anniversary.
- 30 2. Tenants must obtain and provide AHFC documentation of their participation
31 hours. The documentation shall come from representatives of the organizations
32 or programs where they fulfilled their community service and economic self-
33 sufficiency activities.

1 **5.K Changes in Status**

2 AHFC will permit Tenants to change exemption status during the year whenever their
3 status changes. Changes in a family member’s status that occur during the lease term
4 may require immediate compliance with community service requirements. Each adult is
5 responsible for knowing his/her obligation to comply with community service
6 requirements including verifying exemptions and/or community service or economic
7 self-sufficiency program hours when status changes.

8 ~~Individuals must report changes in their status within ten (10) business days of the~~
9 ~~change.~~ Minors who turn 18 between examinations ~~are not required to report the~~
10 ~~change~~ continue to be exempt until the next Lease anniversary.

11 **5.L Noncompliance**

12 Family members found to be noncompliant with their community service requirement
13 will receive written notice of such noncompliance. AHFC will offer any noncompliant
14 family members the opportunity to enter into an agreement prior to the anniversary
15 effective date. The cure shall occur over the 12-month period beginning with the date of
16 the agreement. The Tenant shall at the same time stay current with that year's
17 community service requirement.

18 **5.M Termination Nonrenewal of Lease for Noncompliance**

19 ~~AHFC shall take action to terminate the lease if any nonexempt family member does~~
20 ~~not fulfill their obligation to participate in community service or an economic self-~~
21 ~~sufficiency program and refuses or fails to meet their obligation under an Agreement to~~
22 ~~Cure Noncompliance.~~ AHFC will not renew the Lease of a family that is noncompliant
23 with the service requirement unless that family has signed an agreement to cure the
24 noncompliance. AHFC shall take action to terminate the Lease agreement at the end of
25 its 12-month term under any of the following conditions:

- 26 1. If an adult family member fails or refuses to sign the Community Service
27 Certification
- 28 2. If any nonexempt family member does not fulfill their obligation to participate in
29 a community service or an economic self-sufficiency program
- 30 3. If any nonexempt family member refuses to sign or fails to meet their obligation
31 under an Agreement to Cure Noncompliance

32 **6. Transfers**

33 Transfers may be requested by the Tenant or required by AHFC. If AHFC requires a
34 Tenant to relocate, such involuntary transfers are subject to the AHFC Grievance
35 procedure. No such transfer shall occur until either the grievance request period expires
36 or the grievance procedure is exhausted. Transfers are made in accordance with Fair
37 Housing regulations and the requirements specified below.

1 **6.A Transfer Categories**

2 The transfer types and examples are listed in order of their priority below. For example,
3 a Reasonable Accommodation Transfer takes precedence over a Transfer for Personal
4 Reasons.

5 **6.A.1. Emergency Transfers**

6 The unit or building conditions pose an immediate threat to Tenant’s life, health, or
7 safety, and AHFC is unable to make repairs in less than 24 hours. Examples include: a
8 gas leak, no heat during the winter, no water or serious leaks, or toxic contamination.

9 Emergency transfers also include transfers to protect a Tenant who is a witness to a
10 crime and faces reprisals or a transfer to protect a victim of a hate crime or extreme
11 harassment. This also includes transfers for a Tenant or a member of the Tenant’s
12 household who becomes a victim of an act or acts of domestic violence, dating violence,
13 sexual assault, or stalking.

14 AHFC pays for moving expenses and basic utility hook-up fees for an emergency
15 transfer. If the preponderance of evidence suggests that damages are the responsibility
16 of the Tenant, the Tenant bears the cost of the move.

17 **6.A.2. Relocation due to Modernization/Rehabilitation**

18 Modernization or redevelopment may require Tenant relocation. Such transfers are
19 scheduled and managed in accordance with 24 CFR 42 and the Uniform Relocation
20 Assistance and Real Property Acquisition Policies Act. AHFC pays for moving expenses
21 and basic utility hook-up fees for these moves. Tenants are notified in writing of their
22 rights under these types of moves.

23 **6.A.3. Reasonable Accommodation Transfer**

24 A transfer to match one’s disability with accessible features in a particular unit is
25 performed at the request of the tenant; it is a voluntary transfer. A nexus, or connection,
26 must be established between the unit’s features and a person’s disability.

27 A tenant without disabilities may accept housing in a unit designed for an occupant
28 with disabilities. A nondisabled Tenant occupying an accessible unit is required to
29 move when a family requiring the accessible features is identified.

30 AHFC pays for moving expenses and basic utility hook-up fees for a disabled family
31 who is already an AHFC Tenant and requires the features of an accessible unit. If the
32 unit is occupied by a nondisabled Tenant, AHFC will pay the moving expenses of that
33 Tenant as well.

34 **6.A.4. Administrative Transfers**

35 AHFC may require a Tenant to transfer due to:

- 36 ➤ Changes in family size that fall outside AHFC occupancy standards.

- 1 ➤ A lead-based paint issue.
2 ➤ Family splits due to the addition of children through birth, adoption, or court-
3 awarded custody.
4 AHFC pays for moving expenses and basic utility hook-up fees for a Tenant that needs
5 to relocate due to a lead-based paint issue. Tenant moves due to occupancy standards
6 or family splits are paid for by the Tenant.

7 **6.A.5. Family Requests for Transfers for Personal Reasons**

8 Families may request to transfer for personal **the following** reasons such as: (1)
9 employment, (2) children’s schooling or day care arrangements; or (3) medical care or
10 educational opportunities. Family moves for personal reasons are paid for by the
11 family. **The family is responsible for all costs associated with the move.** In all cases of
12 tenant-requested transfers, the tenant must be in good standing during the past
13 12 months.

14 **6.B Moving Expenses**

15 When AHFC is responsible for paying for a family’s transfer, the Tenant may choose
16 between AHFC contracting with a moving company or receiving a flat rate
17 reimbursement not to exceed \$500. AHFC is not responsible for telephone or cable
18 hook-up fees.

19 **6.C Family Failure to Move**

20 If AHFC is requiring a Tenant to move and the Tenant does not move within the
21 allotted time period, the Tenant has violated the Residential Lease Agreement. AHFC
22 will proceed with a termination action.