

Exhibit 6-4 Policy Overview

Old Policy	New Policy
Exhibit 5-5	Exhibit 6-4

Forms

PM640 Home Business Request

Administrative Desk Manual

None

Exhibit 6-4

Home Business

HUD regulations at 24 CFR 966.4(d)(2) state AHFC may approve operation of tenant-owned businesses in its units. The purpose of this exhibit is to detail how staff will approve appropriate resident home businesses.

6-4.1 AHFC ENCOURAGES SELF-SUFFICIENCY ACTIVITIES

Any home business, which includes any legal profit-making activities or nonprofit activities, must receive written approval from AHFC **before** beginning any such business activity.

This policy does not prohibit children's businesses such as a child's paper route, a child's sale of merchandise or products from catalogs, or a child's sale of merchandise for youth, school, church, sports, or nonprofit organizations. Such children's activities are expressly permitted and do not require prior notice or consent of AHFC.

6-4.2 LEASE COMPLIANCE

The resident operating the home business is bound to all *Residential Lease Agreement* provisions governing actions of guests and visitors. If the business involves care of others, the resident is responsible for the welfare and actions of persons under his/her care.

6-4.3 BUSINESS REQUIREMENTS

Residents may be required to provide evidence that the home business will comply with local, state, and federal regulations, including but not limited to licensing, bonding, and insurance requirements.

6-4.3.A Business License Requirement

All residents must obtain a business license through the Alaska Department of Commerce, Community, and Economic Development if they wish to operate a home business. Residents must keep the business license current until they have ended the business.

Current guidance for child care licensing requirements can be found at:

State of Alaska	Municipality of Anchorage
Department of Health & Social Services Child Care Program Office http://hss.state.ak.us/dpa/programs/ccare/	Department of Health & Social Services Human Services http://www.muni.org/departments/health/pages/default.aspx

6-4.3.B Insurance Requirement

If required by AHFC, the resident will obtain insurance to indemnify AHFC fully for any or all damages and injuries to any person, including but not limited to AHFC property or employees, if damages or injuries occur as a direct or indirect result of the home business operation. The resident business may be required to name AHFC as an additional insured where General Liability insurance coverage is necessary to meet licensing requirements.

6-4.3.C Recordkeeping Requirement

The resident must keep accurate records to permit AHFC to verify income, expenses, and current business status and to provide any other documentation requested by AHFC.

6-4.4 HOME BUSINESS REQUEST

A resident wishing to operate a home business must submit, in writing, his or her request for approval to the Asset Supervisor. The *Home Business Request* (form PM640) provides the general information about the business as well as the information needed by Public Housing to notify neighbors of the proposed business (see below).

AHFC will review each business on a case-by-case basis, based on the number of existing businesses in each complex including child care operations. AHFC will consider the impact to other residents at the location.

6-4.4.A Neighbor Notification of New Business

When a new home business is requested, AHFC will notify all the residents at the location describing the type of business being considered in their complex. AHFC staff can determine the location (e.g., building, floor, complex, etc.). Residents will have an opportunity to respond in writing to AHFC within 14 days of notification.

AHFC will consider all resident comments before approving or disapproving a home business.

Resident Notification of Business

To notify residents of a proposed business in their building or complex, staff will copy page one of the *Home Business Request* (form PM640). Each resident household will receive a copy.

Staff should include a response due date and response address in their letter to residents. Staff will collect any comments about the proposed business and submit them along with form PM640 to the Asset Supervisor for approval.

6-4.4.B Approval of New Business

If AHFC approves the home business, AHFC will sign the *Home Business Request* and return it to the resident. Staff will file the form with the *Residential Lease Agreement Part 2* and set a follow-up income examination appointment in approximately 90 days to determine if resident income information needs to be captured.

6-4.4.C Joint Resident Businesses

AHFC may approve a joint home business operation if two or more residents plan to engage in a partnership. Partners must:

1. Clearly define the make-up of the partnership, showing responsibility by percentage whether equal or with one partner being more responsible than the other.
2. Clearly define the dollar amount for each partner that will be used in the anticipation of income that is reported to AHFC.

6-4.4.D Resident Council Businesses

Fully accredited Resident Councils that wish to operate some form of business either for profit or resident convenience must also submit the *Home Business Request* (form PM640) for approval. Businesses will be considered using the same guidelines as a resident-operated home business.

6-4.5 PROHIBITED BUSINESSES

Child care businesses are prohibited in buildings designed for elderly families. Other prohibited types of businesses on AHFC properties include, but are not limited to:

1. Automobile, small engine, or vehicle repair;
2. Raising and/or care of pets (this includes dog walking businesses conducted on the property);
3. Any illegal activities such as prostitution or the sale of drugs, alcohol, or weapons;

4. A bed and breakfast;
5. Any business that requires the use of equipment that generates excessive heat or fire.

6-4.6 UNIT/COMMON AREA MODIFICATIONS

Tenants may not make modifications to the unit, building, or common areas without AHFC's express, written consent. Approval of a resident home business is not an approval to make modifications. Modifications to a unit without AHFC permission is a violation of the Residential Lease Agreement.

6-4.7 HOME BUSINESS RENEWALS

AHFC will review the operation of a home business at the resident's regular examination. At such time, AHFC may ask that the resident submit to AHFC documentation of renewals of insurance, licenses, bonds, and permits as required by state and local rules regulating that business.

6-4.8 GRIEVANCE PROCEDURES

Resident home businesses are covered under AHFC's grievance procedure. Please see Chapter 9.