

Exhibit 6-3 Policy Overview

Old Policy	New Policy
Chapter 16	Exhibit 6-3
“annual anniversary”	Changed to “regular examination” or “lease anniversary” depending upon the context
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16.3 Exemptions	6-3.3 Exemptions
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16.3.B Changes in Exempt Status	6-3.3.B Changes in Exempt Status
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16.8.B Missing Documentation at Third Anniversary Appointment	6-3.8.B Missing Documentation at Third Examination Appointment
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Forms

LR408CL Repeated Material Noncompliance with the Lease - Annual Anniversary Letter

LR408CS Correctable Notice to Quit and Lease Nonrenewal for Failure to Meet Community Service Requirements

LR420 Community Service Certification

LR422 Community Service Time Sheet

LR424 Community Service Status

LR425 Community Service Information Sheet

LR427 Community Service Agreement to Cure Noncompliance

Administrative Desk Manual

Posting Community Service

Exhibit 6-3

Community Service

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 mandates enforcement of a lease provision requiring adults living in public housing to comply with the community service and economic self-sufficiency requirements of the Act. This chapter outlines the procedures AHFC and tenants shall follow to meet this requirement. Regulations can be found at 24 CFR 960.600 and 24 CFR 966.4(a)(2).

The AHFC community service and self-sufficiency obligations became effective November 3, 2003 for all new admissions occurring on or after that date and for current families whose annual anniversary date was January 1, 2004. HUD FAQ for community service are located at: http://www.hud.gov/offices/pih/phr/about/ao_faq4.cfm.

6-3.1 QHWRA REQUIREMENT

The U.S. Department of Housing and Urban Development (HUD) defines community service as: "The performance of voluntary work or duties that are a public benefit and serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities."

Each adult family member must verify that they are either in compliance with or exempt from community service requirements.

1. Every adult in the tenant household must complete and sign a separate *Community Service Certification* (form LR420) at move-in. Failure to sign the *Certification* at move-in makes the family ineligible for the Public Housing Program.
2. Except for adults who are 62 years of age or older and persons with disabilities who are unable to perform community service, a new *Community Service Certification* must be signed at each subsequent lease anniversary.

6-3.2 COMPLIANCE REQUIREMENT

To be considered in compliance with the requirements, each adult family member, unless she or he is exempt, must contribute a minimum of eight (8) hours each month (or 96 hours per year) toward:

1. A community service activity (see *Community Service Information Sheet*, form LR425, for acceptable activities), or

2. An economic self-sufficiency program, or
3. A combination of activities as described above.

During a lease term, family members may have months where community service is required, and months where they are exempt. It is the family member's responsibility to provide appropriate documentation for each month during the lease term.

6-3.3 EXEMPTIONS

The following adult family members of tenant families are exempt from this requirement if they meet one of the qualifying factors below.

1. Family members who are 62 or older.
2. Family members who are blind or disabled, as defined under 216(I)(1) or 1614 of the Social Security Act (42 U.S.C. 416(I)(1)), and who sign a self-certification that, because of this disability, she or he is unable to comply with community service requirements.
3. Family members who are the primary caregiver for someone who is blind or disabled, as set forth in the paragraph above.
4. Family members who are or would be exempt from work activity under Part A, Title IV of the Social Security Act, or under any other state welfare program, including the welfare-to-work program (i.e., TANF beneficiaries who are exempt from work due to birth of a child or for medical and disability reasons).
5. A single, custodial parent caring for a child who has not attained 12 months of age (42 U.S.C. 407(g)).
6. Family members receiving assistance, benefits, or services under a State program funded under Part A, Title IV of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program.
7. Family members engaged in one of the work activities defined in section 407(d) of the Social Security Act are exempt.

To meet the minimum standard for items a through k below, the individual must participate in one or more of those work activities at least 42 hours per month¹. Item L only addresses unsubsidized employment.

- a. Subsidized private-sector employment;
- b. Subsidized public-sector employment;

¹ The 42 hour monthly threshold is based upon HUD's employment definition at 24 CFR 960.255(a). The 42-hour definition is based upon 10 hours of work per week, times 50 weeks, divided by 12 months.

- c. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
 - d. On-the-job-training;
 - e. Job-search and job-readiness assistance;
 - f. Community service programs;
 - g. Vocational educational training (not to exceed 12 months with respect to any individual);
 - h. Job-skills training directly related to employment;
 - i. Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
 - j. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; and
 - k. The provision of childcare services to an individual who is participating in a community service program.
 - l. Employment. AHFC shall consider a family member “employed” if their annualized earned income meets or exceeds an amount equal to Alaska state minimum wage x ten (10) hours per week x 50 weeks.
8. The following persons are also considered exempt:
- a. During the period that benefits are received, a person receiving unemployment insurance.
 - b. A person who is in compliance with program requirements under the Alaska Temporary Assistance Program (ATAP) or a Native Alaskan TANF Program.
 - c. A person who is employed, but is away from work due to maternity leave, Family Medical Leave (FMLA), or Workman’s Compensation (must be pending or receiving payments).
9. AHFC will consider a non-working parent or legal guardian as satisfying an “economic self-sufficiency” activity that meets the “exempt” status threshold provided the family meets the following condition: a two-parent household where one parent or legal guardian meets the “work” exemption defined above, and the other parent or legal guardian is the primary caregiver of a child who is less than 13 years of age and resides in the unit.

6-3.3.A Monthly Hour Accrual

Community service hours may be accumulated monthly, eight (8) hours for each month the adult was not working or exempt, or cumulatively during the lease term, for a total of 96 hours.

An adult can “make-up” missed community service hours in a prior month by performing additional community service hours. Work activity hours in successive months cannot “make-up” prior month’s missed community service hours.

Example: Counting Community Service Hours

Grenada came to her regular examination appointment in January. She owes 8 hours of community service for the months of October, November, and December. Her lease renews on March 1. Grenada states that she will be starting a new, full-time job on March 3.

1. Grenada owes 40 hours of community service for the months of October, November, December, January, and February (8 hours each month).
2. Grenada will be exempt beginning March 3, if she works at least 42 hours in March.
 - a. Grenada can choose to “make-up” the 24 hours she is missing for October through December in either January or February along with completing her hours due for each month.
 - b. Grenada and AHFC can sign the *Agreement to Cure Noncompliance* for the lease period beginning March 1, and Grenada can “make-up” the hours during the next lease term.
 - c. Grenada **cannot** use work hours in March to “make up” for missed community service hours in October through February.

6-3.3.B Changes in Exempt Status

AHFC will permit residents to change exemption status during the year whenever their status changes. It is each adult household member’s responsibility to report any changes in community service status to AHFC and provide documentation of such change. Individuals must report changes to their status within ten (10) business days of the change.

- If, during the lease term, an exempt person becomes nonexempt, AHFC will provide the person with tracking/certification forms and information necessary to pursue their community service/self-sufficiency requirement.
- Minors who turn 18 during a lease term are not subject to community service requirements until the regular examination following their 18th birthday.

Example: Change in Status

Gate Dancer has a job at her regular examination and for six months following it. She then loses the job. She continues looking for work while claiming unemployment insurance benefits. She remains exempt.

If she remains unemployed beyond the end date of unemployment insurance, Gate Dancer must then perform eight (8) hours of community service for each month where no exempt category applies.

6-3.3.C Seasonal Employment

There are two ways to calculate seasonal employment income: (1) annualizing current income and conducting an interim when income changes; or (2) anticipating income from all known sources for the entire year and conducting no interims as income changes.

- If AHFC annualizes income and conducts an interim as income changes, the seasonally employed individual must complete community service for any months that AHFC determines the individual is not exempt.
- If AHFC anticipates income and does not conduct an interim, the seasonal employee is exempt from community service.

6-3.4 ELIGIBLE ECONOMIC ACTIVITIES AND VERIFICATION

An economic self-sufficiency program is defined by HUD as: “Any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families.” These economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, computer skills training, adult basic education, English proficiency, GED preparation, financial or household management, apprenticeship, or any other program necessary to remove barriers (such as substance abuse or mental health treatment) to prepare a participant to work.

Verification of an economic self-sufficiency activity requires documentation from an authorized representative of the organization, educational institution, or program where the economic self-sufficiency activity occurs. The verification must document the hours attended by the resident and provide a means to contact the representative if necessary.

The preferred method of documentation is the *Community Service Time Sheet* (form LR422). AHFC may call to receive oral verification of a hand-carried *Time Sheet* to meet the third party verification requirement. A self-certification by a family member is not sufficient verification.

6-3.5 ELIGIBLE COMMUNITY ACTIVITIES AND VERIFICATION

See the definition for community service under the QHWRA Section above. Volunteer service may occur through a not-for-profit organization, a church or faith-based organization, a public agency, or an AHFC recognized resident council. The volunteer service rendered must further the mission of that agency or organization.

Verification of a community service activity requires documentation from an authorized representative of the organization or program where the community service occurs. An authorized representative of the organization must verify, in writing, the hours volunteered by the resident and provide a means to contact the representative if necessary.

The preferred method of documentation is the *Community Service Time Sheet* (form LR422). AHFC may call to receive oral verification of a hand-carried *Time Sheet* to meet the third party verification requirement. A self-certification by a family member is not sufficient verification.

6-3.6 THE PROCESS

Upon admission and at each lease anniversary thereafter, staff will complete the following tasks.

6-3.6.A Initiate the Community Service Requirement

It is important for staff to clearly communicate community service requirements to each new family during the move-in process.

1. Give the family an overview of the Community Service and Self-Sufficiency requirements and a copy of the *Community Service Information Sheet* (form LR425).
2. Provide the family copies of the *Community Service Time Sheets* (form LR422). Encourage family members required to perform community service to submit time sheets on a monthly basis with their rent payment.
3. Execute a separate *Community Service Certification* (form LR420) for each adult household member. Provide copies to the family members and place in file.
4. Update the computer system with the community service status of each family member.

6-3.6.B Monitor During the Lease Term

The computer database provides a community service module to assist staff with tracking and monitoring. See the Administrative Desk Manual, Posting Community Service.

1. Collect and review monthly time sheets when provided.
2. Update the computer system with current family information.
3. Once posted, file the monthly time sheets.

6-3.6.C Verify at the Lease Anniversary Date

AHFC will re-verify exemption status annually, except for individuals who are 62 years of age or older and persons with permanent disabilities that because of the disability are unable to perform community service.

1. Using the computer database, confirm compliance with required service hours.
2. Notify the family of any missing documentation and provide an opportunity for the family to submit it (see Missing Documentation below).
3. Execute a new *Community Service Certification* (form LR420) for each adult household member for the next lease term.
 - a. Persons 62 years of age and older do not require a new *Certification* at each annual. Staff will retain the original *Certification* in the file.
 - b. Persons with a permanent disability that certify that due to the disability they are unable to perform community service do not require a new *Certification* at each annual. Staff will retain the original *Certification* in the file.
4. Provide copies to the family members and place in the file.

6-3.6.D Missing Documentation

If a family member's records are incomplete, staff may send the *Community Service Status* (form LR424) to the family to request the missing documentation. This letter:

- Notifies the family member that documentation is missing.
- Identifies the period that is missing.
- Either returns the incomplete documentation or sets an appointment with the family member to collect it.
- Lastly, it warns the family that failure to comply with Community Service requirements may lead to nonrenewal of the lease.

6-3.6.E Noncompliance-First Lease Anniversary

If a family member does not provide sufficient documentation for the community service requirement, AHFC will offer the family member an opportunity to cure. Staff will:

- 60 to 90 days - Give the noncompliant family member the *Community Service Status* (form LR424) which documents the deficiency.
- 45 to 60 days - If no response or if the noncompliant family member does not have the necessary hours, staff will send the noncompliant family member the

Community Service Status (form LR424) which sets an appointment to sign an agreement to cure.

- 30 days – If no response or if the noncompliant family member has not signed the agreement to cure, staff will serve the *Correctable Notice to Quit and Lease Nonrenewal for Failure to Meet Community Service Requirements* (form LR408CS).
- Expiration of the Lease – if the family does not sign the agreement to cure, provide the necessary documentation, or move, proceed with an eviction action as described in Chapter 8.

6-3.6.F Opportunity to Cure

Family members found to be non-compliant with their community service requirement must receive written notice of such non-compliance. The notification method is completion and delivery of the *Community Service Status*, form LR424. The notice must be delivered prior to the *Correctable Notice to Quit* (form LR408CS). Field staff will deliver the *Status* letter after confirmation that the community service requirement is unmet.

If the family agrees to cure, the adult family member(s) in question and the AHFC representative will sign the *Community Service Agreement to Cure Noncompliance*, form LR427. This agreement allows the family to make up the missing hours from the previous 12 months, plus those required in the following 12 months.

Staff will:

- Enter the hours required for the current noncompliance period as well as the hours required in the second year.
- The due date for completion is next year's lease anniversary date (the next lease period start date).
- The noncompliant adult, the head of household, and AHFC will sign the form.
- Give a copy to the family; file the original signed form in the file.

6-3.6.G Noncompliance-Second Lease Anniversary

At the family's first lease anniversary following the signing of the *Community Service Agreement to Cure Noncompliance*, all family members must have performed the required community service hours. If not, staff will serve the family a *Correctable Notice to Quit and Lease Nonrenewal for Failure to Meet Community Service Requirements* (form LR408CS).

The notice will be served no later than 30 days before the expiration date of the lease. The expiration date of the lease will be the expiration date of the notice. This will give the family one last opportunity to retain their housing assistance.

6-3.6.H Acceptance of Rent

Staff may continue to accept payments due during the correctable period.

6-3.7 TERMINATION FOR NONCOMPLIANCE

AHFC shall take action to terminate the lease under any of the following conditions:

1. If any required adult family member fails to sign the *Community Service Certification* (form LR420);
2. If any nonexempt family member does not fulfill their obligation to participate in community service or an economic self-sufficiency program; and
3. If any nonexempt family member refuses or fails to meet their obligation under an *Agreement to Cure Noncompliance* (form LR427).

Per regulations at 24 CFR 960.603(b), AHFC may not terminate a lease during the course of the twelve month lease term for violation of the community service requirements. If an adult family member refuses to sign either the *Community Service Certification* or an *Agreement to Cure Noncompliance* within the given timeframe, AHFC will terminate the lease at its end date.

The lease termination date is the lease end date that follows the appointment. Staff will issue a *Correctable Notice to Quit and Lease Nonrenewal for Failure to Meet Community Service Requirements* (form LR408CS), providing at least 30-day notice. The *Notice to Quit* contains language enabling the family to cure the deficiency. The tenant may cure by:

- Providing documentation that the noncompliant individual is exempt from community service requirements.
- Moving the noncompliant individual out of the household.
- Having the noncompliant individual complete all prior and current community service obligations up to and including the month prior to the lease end date.
- If not previously signed, having the noncompliant individual sign an *Agreement to Cure Noncompliance*.

6-3.7.A Service More than 30 Days in Advance of Lease End Date

In situations where the effective date of a *Correctable Notice to Quit* is greater than 30 days from the date of issuance, staff will issue the *Community Service Status* (form LR424) to update the family on their community service requirements and needed actions. Staff may then serve the *Notice to Quit* (form LR408CS) with the required 30 day notice period.

Example One

1. Staff conducts the lease anniversary appointment in November for a family whose regular examination is effective on February 1. The lease end date is January 31.

2. Staff finds one adult household member is noncompliant and delivers the *Community Service Status* on December 1 because the family has not brought in any documentation.
3. The family member refuses to cure the delinquent community service requirement.
4. Staff issues a *Correctable Notice to Quit* on January 1. The notice meets the 30-day provision, and its termination date is January 31.

6-3.7.B Missing Documentation at Third Examination Appointment

In situations where the family has missed two regular examination appointments and has received a *Correctable Notice to Quit and Lease Termination for Material Noncompliance - Failure to Complete Required Examination* (form LR416_3), the family cannot be served a *Correctable Notice to Quit* (form LR408CS) when they do not have all required community service documentation. It is likely that the family is in the last 30 days before their lease expires, and the 30-day notice period for the missed annual appointments is also probably still in effect.

The family still has the option to cure the noncompliance through the methods stated above; however, they only have until the expiration of the LR416_3 Notice (which should coincide with the end of the lease). In these cases, staff will serve the *Repeated Material Noncompliance with the Lease - Annual Anniversary* (form LR408CL). This form:

- Attaches the original *Correctable Notice to Quit* for the missed annual anniversary appointments.
- Tells the family that they are not in compliance with their lease for failing to provide all required community service information.
- Gives the family a last opportunity to come into compliance before the expiration of the lease.
- Sets a deadline which will be the same date as the end date in the *Correctable Notice to Quit*.
- Refers the family back to the original notice for their grievance rights.

Example Two

1. The family's annual anniversary is effective on February 1. The lease end date is January 31.
2. The family misses the first two regular examination appointments and staff serves the *Correctable Notice to Quit* on January 1.
3. The family contacts AHFC on January 10 for an appointment on January 15.
4. Staff finds one adult household member is noncompliant, and the family states that they will bring the required documentation back to AHFC.
5. Staff delivers the *Repeated Material Noncompliance* (form LR407CL) on January 15 stating the required documentation.

6. AHFC receives no documentation, and the family member refuses to sign the *Agreement to Cure*.
7. The *Correctable Notice to Quit* period expires, and staff then checks to see if the family has moved from the unit.
8. If the family is still in the unit, staff will proceed with an eviction action.

Example Three

1. Same scenario as Example Two except the noncompliant family member signs an *Agreement to Cure* on January 25.
2. The family is in compliance and may remain in the unit.
3. At the family's next regular examination appointment in November, the noncompliant family member has not cured, is not exempt, and has not moved from the unit.
4. Staff delivers the *Community Service Status* documenting the required hours.
5. No documentation is provided as of December 31.
6. On January 1, staff issues the *Correctable Notice to Quit* with a termination date of January 31.

Example Four

1. Same scenario as Example Two.
2. After receiving the *Correctable Notice to Quit*, the family brings in documents demonstrating that the noncompliant family member no longer resides in the unit as of January 23.
3. Staff verifies the documentation.
4. Staff will sign an *Addendum to the Lease* (form LR402_Addendum) to remove the family member that no longer resides in the unit.
5. The family is now in compliance and may remain in the unit.

6-3.7.C Failure to Cure Correctable Notice

If the family does not vacate the unit or provide the necessary documentation to the AHFC office, the lease must not be renewed, and the family must move. See Chapter 8 for eviction procedures.

Staff will not accept payments from the family during the eviction process.