

**YANKTON SIOUX  
HOUSING AUTHORITY**

**LOW INCOME HOUSING  
TAX CREDIT PROGRAM**

**ADMISSIONS AND OCCUPANCY POLICY  
INCLUDING SECTIONS ON COLLECTIONS  
AND MAINTENANCE**

Adopted 07-13-07

**YSHA LOW INCOME HOUSING TAX CREDIT PROGRAM**

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## YSHA LOW INCOME HOUSING TAX CREDIT POLICY

### I. GENERAL PROVISIONS

**A. Purpose.** As the General Partner of the Yankton Sioux Limited Partnerships, the Yankton Sioux Housing Authority (YSHA) is responsible for managing the YSHA Low Income Housing Tax Credit (LIHTC) Program. The dwelling units managed under this Program are operated in accordance with the Internal Revenue Code, 26 U.S.C. § 42. Participation in the Program is limited to those households with incomes which are at or below 50% of the HUD median income for the designated area. The YSHA's LIHTC Admissions and Occupancy Policy has several purposes:

1. To provide guidelines that enable the YSHA staff to administer the Program consistently and fairly.
2. To provide training and orientation for newly hired staff.
3. To provide answers to program questions beyond the scope of federal regulations.
4. To educate YSHA clients and the public of the basis for YSHA decisions.

**B. Adoption.** The LIHTC Admissions and Occupancy Policy is adopted by, and may only be amended by, the YSHA Board of Commissioners.

**C. Interpretation.** If any provision of this LIHTC Admissions and Occupancy Policy conflicts with applicable federal regulations, the federal regulations shall prevail. If any provision of this policy conflicts with the LIHTC Lease Agreement, the Lease Agreement shall prevail. However, in all instances, the Lease, federal statutory and regulatory law, and this Policy shall be construed to achieve consistency and to fulfill the overall Program goals.

**D. Limitations.** It shall be the policy of the YSHA to provide applicants from the Yankton Sioux community who meet the requirements for eligibility with adequate housing as rapidly as possible and for as many qualified applicants as possible. The provision of LIHTC housing is limited by the availability of YSHA housing that meets the particular needs of qualified applicants, the availability of funds to finance new housing development, the urgency of applicants' housing needs, and the applicants' income and payment ability.

**E. Distribution.** Copies of this LIHTC Admissions and Occupancy Policy shall be distributed to each member of the Tribal Business and Claims Committee and to the Yankton Sioux Tribal Court, and shall be available upon request. A copy shall also be prominently posted at the YSHA office.

**F. Computation of Time.** Unless otherwise noted, in computing any period of time prescribed or allowed by this Policy, calendar days shall be used.

## II. ELIGIBILITY REQUIREMENTS

A. **Family Composition.** LIHTC housing is provided to eligible families. A Family can consist of any of the following:

REQUIRE DEFINITION OF "FAMILY" FROM YSHA APPENDIX A CITED IN OLD POLICY

B. **Income Limitations and Verification**

1. **Limitations.** To be eligible, the family's Annual Income must meet the requirements set out below.

a) **Maximum Income.** The family's Annual Income cannot exceed the applicable limit for low-income families. The term "low-income family" is defined as a family whose income does not exceed 50% of the HUD determined median income for the designated area of Charles Mix County. Since the median income figures change each year, the YSHA staff will obtain annual updates of the area median income figures.

b) **Income Sufficient To Comply With Program Requirements.** Families must have sufficient income to make monthly house payments, utility payments and perform maintenance of the home. Therefore, a minimum Annual Income of \$\_\_\_\_\_ for the LIHTC Program is required. Families are required to provide written documentation, such as payroll stubs, to verify income levels.

c) **Ongoing Source of Income.** In addition to meeting minimum and maximum income limits, applicants must verify that their source of income is reliable and will be ongoing.

d) The household's combined total income cannot exceed the applicable low income limits at move-in.

\* C. **Additional Criteria for Admission.** A Family whose conduct in present or prior housing is likely to diminish the health, safety, welfare, or quiet enjoyment of other residents, or to adversely affect the project environment, the physical condition of the home or neighborhood, or the YSHA's financial ability to operate the program and enforce the resident's obligations without undue burden, will not be admitted.

1. **Family History.** Past habits and practices with respect to housing occupancy and personal history will be assessed to determine eligibility. The determination of whether an applicant Family has met its burden of showing sufficient successful rehabilitation is left to the discretion of the YSHA and nothing in this section shall require the YSHA's forbearance. Disqualifying factors include:

a) **Outstanding Debts and Prior Eviction.**



- (1) No Family will be admitted who has an outstanding debt with the YSHA unless the Family either repays the debt in full or makes payments on the debt under a Payment Agreement with the YSHA. If an otherwise eligible applicant Family fails to abide by the terms of the Payment Agreement for a period of thirty (30) days or more, the Family shall be removed from the Waiting List. No Family will be admitted who has an outstanding debt to any utility company that would prohibit the Family from obtaining utility services. (Debts to other public housing entities or private landlords will be considered also, but do not automatically prevent eligibility.)
  - (2) No Family will be admitted that owes debts incurred in any housing program administered by a housing authority or other publicly funded housing program.
- b) **Fraud.** No Family will be admitted whose head or spouse has committed fraud as a participant or applicant in any housing program administered by a housing authority or other publicly funded housing program.
  - \* c) **Drug-Related Criminal Activity.** Except as specifically provided in the YSHA's Drug and Alcohol Elimination Policy found in Section XII, no Family will be admitted who has a member who has been convicted of, or has a history of engaging in, drug-related criminal activity, as defined in this Policy, unless the YSHA waives the ineligibility requirement. The applicant has the burden of showing that, taking all relevant factors into account as set forth in Section II.C.3 below, the Family member has been successfully rehabilitated and will not likely engage in such conduct again. Any individual who has been evicted and/or whose prior lease agreement has been terminated due to drug or alcohol-related criminal activity is ineligible for admission into any YSHA program for a 1-year period following the date of such eviction or termination.
  - d) **History of Violence.** No Family will be admitted who has a member who has a history of engaging in violent criminal activity, as defined by this Policy, unless the applicant can show that, taking all relevant factors into account as set forth in Section II.C.3 below, the Family member has been successfully rehabilitated and is not likely to engage in such conduct again.
  - e) **Felony.** No Family will be admitted who has a member who has been engaged in any criminal activity resulting in a felony conviction unless the applicant can show that, taking all relevant factors into account as set forth in Section II.C.3 below, the Family member has been successfully rehabilitated and will not likely engage in such conduct again.

- f) **Convicted Sex Offender.** No Family will be admitted who has a member who:
  - (1) Has been convicted of criminal sexual conduct including, but not limited to, sexual assault, incest, statutory sexual seduction, open and gross lewdness, or child abuse; and
  - (2) Is required by law to register as a sex offender.
- g) **Abandonment of Prior Home.** No Family will be admitted that has previously abandoned a home.

2. **Principal Residency and Ownership Requirements.**

- a) No Family will be admitted that does not intend to use the residence as their principal residence.
- b) Tenants in the LIHTC Program may not own or rent another residence.

3. **Factors and Information to Be Assessed.** Eligibility will be determined by reviewing such factors as previous occupancy with the YSHA, landlord references, information from neighbors and persons with relevant knowledge of habits and practices, credit reports and criminal background checks. Documentation is to include, where possible, letters and reports of interviews and/or telephone conversations containing the date, source of information, name and title of person contacted and a summary of any information received. If unfavorable information is received, the YSHA considers the time, nature, and extent of the past occurrence and the reasonable probability of future favorable performance. Such factors as the length of time since the last evidence of such activities, the seriousness of the conduct, and the record of rehabilitation efforts on behalf of the family member(s) will be relevant.

4. **Orientation and Counseling Program.** Applicants must agree to participate in the YSHA's Orientation and Counseling Program, including attending all training and orientation sessions, as a condition of admission. Failure or refusal to participate in counseling or orientation authorizes the YSHA to terminate consideration of the application for the YSHA LIHTC Program and/or the Tenant's Lease at any time.

- a) **Pre-Occupancy Phase.** Prior to occupancy, applicants will receive orientation in the following areas:
  - (1) Explanation of LIHTC Program as applicable;
  - (2) Community resources and services; and
  - (3) Property care and maintenance obligations of the Applicant.
- b) **Post-Occupancy Phase.** After the Family has moved in, Tenants will receive training and counseling in the following areas:

- (1) Follow-up property care and maintenance obligations of the Family, including instructions on proper use of appliances and equipment, which is provided to the tenant upon request or when it becomes evident that a resident is not properly using or maintaining his or her home;
- (2) Budgeting and money management. Budget counseling is required when Tenant nonpayment occurs, in accordance with Section X below; and
- (3) Fire safety.

### III. RECEIPT OF APPLICATIONS AND DETERMINATION OF ELIGIBILITY

This Section sets out procedures for obtaining and verifying information from applicant Families for purposes of determining whether they meet the conditions of eligibility for participation (Section II above).

#### A. General Steps for Determining Eligibility:

1. Determine Household size.
2. Compute "annual gross income" using HUD definitions. (Appendices A & B).
3. Assess household eligibility by comparing "annual income" to the applicable Housing Credit income limits.
4. Verify income information for each family member.
5. Complete the Tenant Income Certification Form.

#### B. Application.

1. **Open Process.** To assure compliance with the preference requirements of Section IV, unless the waiting list is closed, as per Section III.J.2, applications are accepted from all Families.

#### 2. Applicant Responsibilities.

a) **Basic Record.** The Application, including the Tenant Income Certification Form and all other required Forms, constitutes the basic record of each Family applying for participation. Each applicant, therefore, will be required to supply the information requested on the Application, to sign the Application, attesting that the information provided is complete and accurate, and to sign the appropriate Release and Consent form(s).

(1) The YSHA may require each unrelated (by blood or marriage) adult member to complete a separate application in order to avoid confusion.

(2) The YSHA will review all answers and statements to ensure that there are no omissions and for any required clarification.

b) **Updated Required.** Applicants placed on the waiting list are required to update their applications as a condition of remaining on the list and as a condition of admission. (Section III.J.1 below.)

c) **Changes.** If, at any time after the initial submission of the application, the applicant, who by household composition (and not because of a change in family composition necessitating an updated application), fits into more than one size of bedroom, decides to switch to a different bedroom size, then the applicant shall submit a written request to the YSHA. If the YSHA grants

## VII. LEASE REQUIREMENTS

A LIHTC Lease Agreement must be entered into between the YSHA and each Tenant. All Lease Agreements shall be kept current and reflect the obligations of the participant Tenant Family and the YSHA.

**A. Execution of the Agreement.** The Head of Household and Spouse, if any, both of whom are considered Tenants throughout this Policy, and the authorized YSHA representative, shall execute the Lease Agreement prior to actual admission. A copy shall be given to the participant Family and the original shall be filed in the permanent record folder established for the Family. The Head of Household and Spouse, if any, executing the Lease Agreement must be at least eighteen (18) years of age or older. The Lease Agreement shall contain any requirements mandated by federal law.

### **B. Participant Family Change.**

1. **One Remaining Signer:** If for any reason one of the two original signers ceases to be an occupant, the YSHA requires execution of a new Lease Agreement by the remaining signer, provided that the family is still eligible for continued occupancy and, where feasible, execution of a relinquishment by the absent signer.

#### 2. **No Remaining Signer:**

a) If for any reason, the occupancy of the original signer(s) ceases, continued occupancy by remaining family members, as defined in Appendix A, is permitted under the following conditions:

(1) The Family includes a member who is eligible and is of legal age and capacity to execute a new Lease Agreement, provided that if the remaining tenant Family member is a minor, then the YSHA may permit the legal guardian(s) to reside in the home and execute the agreement on the minor's behalf. In such cases, the required monthly payment shall be calculated including the legal guardian's income; and

(2) The new head of household signs a new Lease Agreement.

b) The YSHA shall not hold remaining family members under eighteen (18) years of age responsible for the rent arrearages incurred by the former head of household, nor any amounts incurred before the new head of household attained eighteen (18) years of age.

**C. Change of Home.** If, for any reason, a Family transfers to a different home, the existing Lease Agreement shall be canceled, and the Family shall execute a new Lease Agreement for the home into which the Family is moving.

**D. Amendments to Lease Agreement.** If the YSHA desires to change, amend or waive any provision of the Lease Agreement with respect to any individual or group of tenants, an appropriate addendum or amendment shall be prepared, signed by the Family and the YSHA's representative, and attached to and made part of the Lease Agreement. In cases where the addendum or amendment is required by applicable law, including this LIHTC Admissions and Occupancy Policy, the failure of the Family head to sign shall not affect the effectiveness or validity of the amendment, provided that the Family receives written notice of same.

**E. Procedure for Termination Of Lease Agreement for Reasons Not Related to Payment.** Termination of the Lease Agreement shall be in accordance with the terms of the Lease Agreement and applicable law. *For terminations due to nonpayment, the YSHA has established specific procedures in Section X (Collections Policy).* For terminations due to reasons not related to payment, the procedure is set forth below.

1. **Notice of Breach Not Related to Payment.** The YSHA shall provide the Family with written notification identifying the breach and, unless the breach is incurable pursuant to Section VII.F (Incurable Breaches of the LIHTC Lease Agreement) below, discuss the noncompliance with the Family.

- a) Depending upon the circumstances, YSHA may give the Family an opportunity to identify any extenuating circumstances, and an opportunity to enter into a plan of action to correct the breach.
- b) If requested by the Family, the parties may agree upon a plan of action that specifies how the Family will come into compliance, any actions by the YSHA that may be appropriate, and a deadline for the plan's completion. The plan of action will be signed by the YSHA representative and the Family.
- c) Nothing in this Section shall require the YSHA to enter into a plan if the circumstances do not warrant providing the Family an opportunity to rectify the breach.

2. **Thirty (30) Day Notice Of Termination.** If the Family fails to enter into a plan of action or fails or refuses to comply with the plan of action or for incurable breaches, the YSHA will issue a Thirty (30) Day Notice of Termination pursuant to Section X.F.2. The YSHA may require the Family to attend a mandatory conference to discuss the noncompliance with the plan of action.

3. **Failure To Vacate After Termination.** If the Lease Agreement terminates as a result of the Family's failure to cure the noncompliance after issuance of the Notice of Termination, and after exhaustion of all available administrative remedies, the YSHA shall institute eviction proceedings in the Yankton Sioux Tribal Court. If the termination is for an incurable breach, the YSHA shall institute eviction proceedings upon the expiration of the notice period, unless the Family has already vacated the home.



**F. Incurable Breaches of the LIHTC Lease Agreement.**

1. Certain breaches of the Lease Agreement are of a nature so serious and damaging to the project environment that they are deemed to be incurable and the YSHA is not required to offer a plan of action or a grievance to the Family prior to termination.

2. Incurable breaches consist of:

a) any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other YSHA tenants, YSHA employees, or persons residing in the immediate vicinity of the premises;

b) any violent criminal activity; and

c) any activity violating the YSHA Drug and Alcohol Elimination Policy (Section XII).

3. Proof of arrest or conviction is not necessary.

4. The YSHA will issue a Thirty (30) Day Notice of Termination in accordance with Section X.F.2.

**G. Payment of Required Monthly Payments.** All monthly payments shall be made according to the procedures stated in the YSHA Collection Policy (Section X).

**H. Abandonment.**

1. A Family's absence from the home for a period of thirty (30) days or more without prior notice to and approval from the YSHA, combined with failure to pay and failure to take appropriate steps to safeguard the home, may be deemed abandonment by the YSHA.

2. In conformance with Sections 13-9-4 and 13-9-5 of the Yankton Sioux Tribal Landlord-Tenant Code/Tenant and Housing Code, if a Tenant abandons or surrenders possession of the dwelling unit, such action may justify immediate termination of the Agreement and repossession without court action.

a) The YSHA may take possession of any household goods, furnishings, fixtures, or any other personal property left in the dwelling unit and dispose of same without any duty of accounting or liability to any party.

b) Property left with the YSHA for a period of three (3) months or longer shall be conclusively determined to be abandoned and as such the YSHA may dispose of said property in any manner which is deemed reasonable and proper without liability to the resident or any other interested party.

3. Abandoning Tenants are responsible for all tenant-caused damages and the YSHA will forward an itemized list of any charges to the last known address of the ex-Tenant.

I. **Sublease and Assignment Policy.** Subleasing of the unit and assignment of the Lease are not permitted.

J. **Use of Home:** The premises may not be used at any time during the term of the Lease for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a single family private residence.

K. **Animals:** The Tenant may not keep any animals, domestic or non-domestic, on or about the leased premises without the YSHA's prior express written consent. The YSHA reserves the right to remove unapproved and/or harmful animals at the Tenant's expense.

L. **Automobiles, Auto Parts and Debris:** The vehicles of Tenants and any guests must be parked in designated areas, i.e., in carports, driveways, and garages. Damaged or otherwise unusable automobile parts, appliances, furniture, animals, animal parts, or other debris are not permitted to be stored on the premises. The YSHA reserves the right to remove said items at the Tenant's expense after prior notification.

M. **Structural Modifications.** Tenants may not make structural modifications to their units.



## VIII. THE CERTIFICATION PROCESS

To assure that tenancy in LIHTC units is targeted to Families satisfying eligibility requirements for continued occupancy, that such Families are charged appropriate rents and for compliance with LIHTC occupancy rules, the eligibility status and income of each Tenant Family will be reexamined and re-determined at least annually in accordance with the procedures set forth below. Families are required to provide full cooperation in this process.

**Note:** Upon determination by the YSHA that data supplied by the Family is false, misleading, or contains a material omission, the YSHA may terminate the Lease Agreement or adjust the Required Monthly Payment retroactively.

### A. Procedure for Annual Reexamination.

1. **Scheduling.** A Notice to Recertify will be mailed to the Family at least sixty (60) days in advance of the anniversary date of the Lease Agreement containing the following:

- a) A heading clearly identifying the letter as a Notice to Recertify;
- b) Language indicating that the Family has fourteen (14) days from the Notice's mailing date to submit a completed recertification form to the YSHA;
- c) The name, physical address, and telephone number of an YSHA contact representative who will be available to assist the Family with any questions, and to provide help in completing the recertification form;
- d) Language indicating that failure or refusal to comply will result in termination and eviction;
- e) A chart or list of the ceiling rent charges for each bedroom size;
- f) A signed statement by the person responsible for mailing the Notice to Recertify that certifies the Notice's mailing date; and
- g) The recertification form the Family is to complete and return to the YSHA.

### 2. Completion of Forms.

- a) **Tenant Income Certification Form:** The Head of Household shall complete the Form and any additional required forms, prior to the reexamination, and shall provide the information required for the YSHA to determine Family composition and Annual Income.
- b) **Social Security Numbers.**
  - (1) If a Family has added a new member to the Family who is at least six (6) years of age, or if any member of the Family who is at least six (6) years of age obtains a previously undisclosed Social Security number, or is assigned a new number, verification of this information must be provided at the next interim or regularly scheduled reexamination.

- (2) Family members having Social Security numbers but not providing documentation on or before the specified time, have sixty (60) days (120 days for members age 62 or over), to provide the documentation and, during that time, the Family will continue to receive assistance.

3. **Eligibility for Continued Occupancy.** To be eligible for continued participation in the YSHA's LIHTC units, residents must continue to:

- a) qualify as a Family as defined in Section II.A, or who is the remaining member of a tenant family (See Appendix A); and
- b) conform to the occupancy standards set forth in Section II above.

Families whose income at reexamination exceeds 140 percent of the applicable income limit are considered over-income. Rents for over-income Families will remain restricted until the YSHA has qualified a substitute unit as a low-income unit.

4. **Adjustments.** After eligibility and Income have been determined, any adjustments in the Required Monthly Payment required by this Section shall be made.

5. **Notice of Determination.** Upon completion of the reexamination interview and a review of the verified supporting data, a determination of continued eligibility will be rendered. If the family is no longer a qualified household under the Program, the YSHA shall notify the family of ineligibility and issue a Thirty (30) Day Notice of Termination.

6. **Family Failure to Report or to Report Accurately.**

- a) **Income Presumed If Family Fails To Provide Information.** If a Family's monthly payment cannot be determined due to failure or refusal to recertify eligibility or to supply information in a timely manner, the monthly payment will be calculated based on any reliable information available to the YSHA.

- (1) The YSHA contact representative may in his/her discretion upon a showing of extraordinary circumstances, such as extended hospitalization of a family member or a death in the family, extend the fourteen (14) day deadline for responding to the Notice to Recertify by a period not to exceed an additional fourteen (14) days. All extensions shall be documented in writing explaining the basis.

- (2) An increase in rent due to failure or refusal to provide information will take effect on the first day of the month following a minimum of thirty (30) days written notice to the Family. Notice shall be made on a Notice of Rent Adjustment form and contain a statement that the increase is due to a failure to comply with recertification requirements. The notice shall also state that the Tenant may appeal the increase by filing a grievance in accordance with Section XIII of this Policy.

- (3) If the Family fails or refuses to recertify after thirty (30) days of the increase in rent, they may be subject to eviction.
  - (4) The Family will be deemed to have returned to compliance with recertification requirements upon the YSHA's receipt of a satisfactorily completed recertification form. A Notice of Rent Adjustment will be mailed to the Family.
- b) **Failure To Report Income Changes.** If the YSHA finds, at the time of reexamination or otherwise, that the Family failed to report changes in Family circumstances as they occurred, and that such changes would have required the Family to pay a higher monthly payment, the YSHA may collect the increased payment, including any accrued late charges, retroactive to the first of the month in which the changes occurred. Unless the Executive Director approves a Payment Agreement, as specified below, the amount shall be due and payable thirty (30) days from the date of the notice to the Family specifying the amount owed.
- c) **Failure To Report With Extenuating Circumstances.** The YSHA may also allow a Family who has failed to report income changes, to enter into a Payment Agreement in accordance with Section VIII.I under the following circumstances:
- (1) The failure to report income changes was not an intentional misrepresentation of income;
  - (2) The Family does not have the funds available to repay the debt; and
  - (3) The debt is greater than \_\_\_\_\_ (\_\_\_\_%) of the Family's monthly adjusted income.

7. **Interim Reexamination.** If warranted, determinations of eligibility and changes in Required Monthly Payment may be made between annual reviews, pursuant to this Section.

**B. Adjustment For Utility Allowances.** At least annually, and at such other times as deemed appropriate, the YSHA shall determine whether there has been a substantial change in utility rates and whether an adjustment is required in the Utility Allowances. In accordance with Section VI of this Admissions and Occupancy Policy, the YSHA shall use a Tenant's full Utility Allowance to calculate the monthly payment regardless of whether the full Utility Allowance exceeds the Tenant's monthly payment obligation. However, YSHA shall not reimburse a Tenant for any difference between the full Utility Allowance and the monthly payment obligation nor credit any such difference to the Tenant's subsequent monthly payments.

1. **Notice of Adjustment.** If the YSHA determines that an adjustment should be made, affected Families will be given notice of the Utility Allowance revisions not less than sixty (60) days prior to the proposed effective date of such revisions. Families will be provided an opportunity to submit written comments during a period expiring not less than thirty (30) days prior to the proposed effective date of the allowance revisions.

2. **Effective Date of Change.** Changes in payments shall become effective the first day of the month following the date of adoption of the Utility Allowance by the YSHA Board of Commissioners. Families whose monthly payments increase due to a Utility Allowance adjustment shall receive at least thirty (30) days notice of such increase.

**C. Adjustment Due To Errors.** In the case of error or mistake, the YSHA adjusts Required Monthly Payments in a manner designed to discourage misrepresentation, and to encourage diligent Family and YSHA action.

1. **Retroactive Adjustments.** Adjustments to Required Monthly Payments shall be retroactive to the first day of the rent period affected when there is:

- a) An error due to mistake or misrepresentation by the Family, where the corrected determination results in increased rent; or
- b) A good faith error that, when corrected, results in decreased rent.

2. **Prospective Adjustment.** An adjustment in monthly payment shall be effective the first day of the second month following the date an error is found if the error was not the fault of the Family and the corrected determination results in increased rent.

3. **Housing Authority Errors.** The YSHA will not calculate retroactive increases if an income change was reported in a timely manner with sufficient verification provided and the YSHA failed to make the appropriate adjustment. The term "error" does not include an estimate or projection of Adjusted Income due to fluctuations or lack of information made in accordance with this Admissions and Occupancy Policy that turn out to be inaccurate.

**D. Payment Agreements.** A Family that fails to pay or is unable to pay the Required Monthly Payment, and Families that incur debts to the YSHA for non-maintenance, abuse or replacements that are greater than one month's Tenant Rent, shall take prompt remedial action.

1. **Corrective Action.** The Family shall enter into a Payment Agreement with the YSHA.

2. **Requirements of Payment Agreement.** The requirements of the Payment Agreement are specified in the Collections Policy (Section X).

3. **Application of Payments.** Payments made by a Family with a Payment Agreement shall be made in the following order:

- a) Current Required Monthly Payment;
- b) Unpaid Required Monthly Payments or other charges that are past-due and not included in a current Payment Agreement; and
- c) Repayment Agreement.

**E. YSHA Directed Transfers.** The YSHA shall require a Family to move to a unit of more suitable size if necessitated by changes in household composition.

1. **Notification.** The YSHA shall immediately notify the Family in writing and have the Family fill out a Transfer Request form. The notice will notify the Family of their appeal rights under the YSHA Grievance Policy, and give the Family fourteen (14) days from the date of receipt of the notice to either:

- a) Submit the Transfer Request form; or
- b) Commence the grievance process as provided by the YSHA Grievance Policy.

2. **Failure or Refusal to Respond.** If the Family fails to respond to the notice within fourteen (14) days, the YSHA shall place the Family's name on the appropriate bedroom transfer list for the community in which the Family resides. A Family's refusal to transfer to an available unit may result in eviction.



## IX. HOME INSPECTIONS

All Families are required to participate in the **Initial, Interim, Annual, Special, Vacate** and **Project** inspections under the conditions set forth below. Such inspections are used by the YSHA to determine whether the Family is complying with all maintenance and replacement responsibilities. (See Maintenance Policy, Section XI, below.)

**A. Initial Inspection.** An initial inspection of the home is required before Family move-in. Families shall not be permitted to occupy a home before construction is complete or, in the case of a subsequent Tenant, until the home is repaired, cleaned, and ready for occupancy.

1. **Participants.** The inspection shall be conducted with both the Head(s) of Household and Spouse, if possible, and the YSHA representative present.

2. **Documentation of Conditions.** The pre-occupancy condition of the home, as well as any deficiencies, missing items, necessary repairs, and similar facts shall be entered on the inspection report form prescribed by the YSHA.

3. **Use of Inspection Report.** The inspection report shall be signed and dated by both the Head(s) of Household and the YSHA. Because the report serves as the official record documenting the condition of the home at the time of occupancy, and may form the basis for move-out charges, if any, the Head(s) of Household shall be encouraged to read the report carefully before signing. The original inspection shall become a permanent part of the Family's file, and a copy of the report shall be provided to the Family.

**B. Interim Inspection.** A special interim inspection of the home shall be scheduled approximately two (2) months after initial occupancy to ensure proper home care. This inspection will be waived if the regular annual inspection will occur no more than four (4) months after the move-in date.

1. **Notification.** The Family shall be given appropriate written notice of the date of the inspection, and the time of the inspection if feasible, as well as an explanation of the reasons for the inspection. Families are required to cooperate with the YSHA in scheduling and in performance of inspections.

2. **Report.** An inspection report shall be completed and signed by the Head(s) of Household and the YSHA representative. Deficiencies shall be discussed with the Family.

3. **Inspection Results.** If the inspection shows adequate care by the Family, the next inspection will be conducted in accordance with Section IX.C below. If inadequacies are revealed, a special inspection, as set forth in Section IX.D, shall be scheduled.

**C. Annual Inspection.** The Family and an YSHA representative will conduct a mandatory inspection of the dwelling unit at least once each year. The annual inspection is conducted to ensure that the dwelling unit is being properly maintained, and to counsel the Family in any maintenance areas where assistance is needed. The annual inspection also documents the condition of the unit.

1. **Deficiencies.** If deficiencies are found during the inspection, the YSHA will note them on the inspection report and write a plan of action. A follow-up inspection will be conducted approximately thirty (30) days following the annual inspection to insure the work has been completed. The Family may also be required to participate in mandatory maintenance counseling.

2. **Failure To Conduct Inspection.** At no time shall a failure to conduct an inspection be deemed a waiver of the YSHA's right to enforce the terms of the Lease Agreement.

**D. Special Inspections.** A special inspection will be conducted any time where deficiencies are noted at the follow-up or annual inspection, when damages or other violations by Tenants are suspected or when any emergency situation arises. The YSHA will promptly notify the Tenant in writing of the date, time, and purpose of such entry, and of the emergency which necessitated. If the special inspection reveals inadequate care of the home that results in damage, the Family shall be advised of the breach. A letter listing the deficiencies shall be sent to the Family stating that corrective action must be taken by a certain date and setting a re-inspection date. This shall constitute the Tenant's plan of action unless the Tenant agrees to a modified plan, with YSHA approval. If the breach is not cured, the YSHA shall enforce the Lease Agreement if necessary. Serious deficiencies may result in immediate termination of the Lease Agreement. When a deficiency presents an immediate threat to the health and/or safety of the Family the YSHA shall have the work done and charge costs in accordance with this Policy.

**E. Vacate Or Move-Out Inspection.** An inspection of a home being vacated will be required.

1. **Scheduling.** The vacate inspection should be scheduled when the Family has removed all personal items and completed all repairs and cleaning. However, the inspection may also be conducted, if necessary, when a Family has vacated the premises without removing its personal property.

2. **Instructions.** Families will be mailed vacate instructions in order to facilitate the move-out and to promptly determine whether any charges may be due.

3. **Participants.** If possible, the inspection will be conducted with the Head(s) of Household present, with the inspection report signed by both the Head(s) of Household or Family member and the YSHA representative. Where Families have vacated without notice or have been evicted, and are not available for the inspection, two YSHA representatives should be present to document the condition of the home through the inspection report, and preferably, through photos or videotape.

4. **Charges.** A list of potential charges shall be summarized on the appropriate section of the report. The vacate inspection report shall be compared with the initial inspection to evaluate any damages beyond normal wear and tear.

5. **Dispute.** Any disagreement by the Family regarding vacate charges shall be resolved in accordance with the YSHA Grievance Policy set forth in Section XIII.

**F. Project Inspections.** The YSHA will conduct project inspections as often as feasible to note items in need of repair, general trends of Family neglect, and any deficiencies in the appearance or upkeep of homes.

**G. Right of Entry.** Pursuant to tribal law, the YSHA has the right of access to dwelling units to conduct inspections and perform maintenance, as set forth in this LIHTC Program Admissions and Occupancy Policy, provided that such access shall be at reasonable times when the Tenant is present and upon reasonable written or oral notice from the YSHA, except for emergency situations where the health, safety or welfare of the Family or neighbors is in immediate danger or where the Family otherwise consents. Uncooperative Tenants will be issued a Notice of Violation and, if still uncooperative, a Notice of Termination or Notice to Quit.



## **X. COLLECTIONS POLICY**

The proper operation of the LIHTC Program and, ultimately, the YSHA's ability to maintain the Program, to continue present services to Tenants and to secure future funding for additional housing depends on the successful administration of this Policy and the diligent collection of payment obligations.

The YSHA's policy is to take diligent action to collect past-due payments in a manner consistent with the goals of the LIHTC Program and the individual circumstances of each Family. As used in this Policy, the terms "Tenants" and "Families" refer to the person(s) who signed the LIHTC Lease Agreement.

**A. Amount of Required Monthly Payment.** Families will be informed of the amount of their Required Monthly Payment, and how the payment was calculated. The YSHA will advise Families of their obligation to make regular payments in accordance with the Lease Agreement. The method of payment shall be by postal money order, personal check, cash, or other legally acceptable form of money. Employees of the YSHA, tribal government, or tribal enterprises also have the option of executing voluntary wage assignments.

**B. Failure To Meet Financial Obligations.** As stated in the Lease Agreement, prompt and regular payments are essential for continued occupancy. Families who fail to make timely payment in the proper amount risk being terminated from the program. Counseling may include discussion of direct deposits, payroll deductions, and prepayment. Delinquent Tenants may be required to cooperate in financial and family budget counseling, as directed by the YSHA, to ensure that the Tenant understands the importance of making payments when due. Refusal or failure to participate in counseling is considered by the YSHA in determining whether the stricter collection action is appropriate.

**C. Inability To Make Full Payment Due To Hardship.** Although payments are originally established at amounts within the financial reach of eligible Families, financial hardships can arise, such as death of a Family member or loss of a job, where the Family, despite best efforts, is unable to make full payment on the due date.

1. **Conditions.** The YSHA's policy is to reasonably accommodate Families suffering legitimate financial hardship, provided that the hardship is of a temporary nature, the Family complies fully with all other requirements of the Lease Agreement, and the Family communicates the problem to the YSHA in a timely manner.

2. **Family To Provide Notice Of Problem.** Families with a legitimate and justifiable inability to make the required payment on the due date must contact the YSHA:

- a) To explain the circumstances;
- b) To request and describe the financial extension needed; and
- c) To make arrangements for entering into a written Payment Agreement, if the extension is needed for longer than thirty (30) days. Partial monthly payments are generally required for Payment Agreements.

**D. Partial Payment.** Where financial hardship is suffered, Families are required to make voluntary partial payments rather than pay nothing. Partial payments show the Family's continued commitment to the Lease Agreement. Where partial payments are being made, YSHA will hold off on immediate termination action if: (1) the Family's payment history is good; (2) it appears that the past-due balance will be repaid in the near future; and (3) the Family is complying with all other requirements of the Lease Agreement.

**E. Payment Agreement Procedure.** To maximize a Family's compliance, achieve the goals of the LIHTC Program, and avoid evictions, Families with delinquencies or a pattern of late or inconsistent payments must enter into a written plan of action, which is generally documented in a Delinquent Payment Agreement.

1. **Short-Term Basis Only.** Payment Agreements are made available to Families in recognition of unavoidable or unexpected financial problems, such as a death in the family, high medical expenses not covered by insurance, and sudden loss of income, and are intended to be of a temporary and short-term nature. Unless otherwise authorized by signature of the Executive Director or designee, the term of the Payment Agreement shall not exceed twelve (12) months.

2. **Signed Document.** Payment Agreements must be executed by the Head(s) of Household, and where the Agreement requires financial commitments from other authorized occupants or Family members, those occupants are also required to sign.

3. **Minimum Monthly Payment.** The Tenant shall be required to make an immediate lump sum payment of at least 50% of the outstanding balance. The minimum monthly payment shall be 1/12<sup>th</sup> of the remaining amount owed, or \$\_\_\_\_\_, whichever is greater. The minimum monthly payment amount may be reduced, in the YSHA's discretion. In no event shall a Tenant be allowed to take or deduct the monthly payments out of his/her Utility Allowance. The YSHA may accept monthly payments by payroll deduction.

4. **Breach of Payment Agreement.** A breach of the Payment Agreement authorizes termination of the Payment Agreement at the election of the YSHA upon notice to the Family. Failure of the Family to make two consecutive payments under the Payment Agreement will result in automatic termination of the Payment Agreement, without notice to the Family. Breach of a Payment Agreement also authorizes termination of the Lease Agreement and eviction.

5. **Reinstatement of Payment Agreement Discretionary.** The YSHA may reinstate a terminated Payment Agreement upon appropriate payment and assurances from the Family, in which case the termination shall not count against the Family. After termination of a Payment Agreement, the YSHA may require the Family to enter into a new Payment Agreement.

6. **Restrictions Where Prior Payment Agreements Have Failed.** Families who have breached four (4) Payment Agreements during the term of their Lease Agreement must pay their balance in full, and are not permitted to enter into another Payment Agreement. A lump sum payment will be required to correct the balance owed. Only the Executive Director, for good cause shown, may waive this restriction.

**F. Collection of Delinquencies.** The YSHA applies the following guidelines in enforcing the financial obligations of the LIHTC Program in collecting delinquent payments:

**1. Payment Due Dates – Late Notices.**

- a) Payments are due by or on the first (1<sup>st</sup>) of each month. After the fifth (5<sup>th</sup>) day of the month, Tenants who have missed their payment and who have not signed an approved Payment Agreement covering the breach shall be considered delinquent.
- b) Unless excepted by these Policies, when a Family is delinquent, a "Notice of Delinquency" shall be sent to the Family by certified mail on or by the fifteenth (15<sup>th</sup>) day of the month. The Notice of Delinquency shall state the following:
  - (1) the date the payment was due;
  - (2) the total amount due;
  - (3) a \$5.00 fee will be added to the amount due; and
  - (4) that the Family must either contact the YSHA to make arrangements for payment or make the required payment in full within ten (10) days of receipt of the Notice of Delinquency or a Thirty (30) Day Notice of Termination will be served.
- c) YSHA staff will attempt to make personal contact with the delinquent Tenant by personal visit, and, if unsuccessful, by phone, to assist in Tenant in complying with the above requirements in a timely fashion.
- d) If the Family fails to respond to the Notice of Delinquency, the YSHA is authorized to serve in person a Thirty (30) Day Notice of Termination

**2. Thirty (30) Day Notice of Termination.**

- a) The Thirty (30) Day Notice of Termination shall contain the following:
  - (1) The reason for termination;
  - (2) That the Family has the right, upon reasonable notice, during regular business hours and prior to any applicable hearing and/or eviction action in Tribal Court, to examine any relevant and non-privileged documents, records, or regulations directly related to the termination or eviction;

(3) **For curable breaches:**

- (a) That the Family has the right to file a grievance pursuant to the YSHA's Grievance Policy if the Family disagrees with the termination, and that, if responding in person, the Family is allowed to be represented or accompanied by a person of their choice, including a representative of the Tribal Government
- (b) That if within thirty (30) days of the date of the Notice of Termination, the Family presents to the YSHA assurances or evidence satisfactory to the YSHA that the Family will cure the breach and continue to carry out its obligations, the YSHA may rescind the Notice of Termination.
- (c) That unless a grievance is timely filed and processed or a rescission of the Notice of Termination, the lease term and the Lease Agreement will terminate on the thirtieth (30<sup>th</sup>) day after the date of the Notice of Termination.

(4) **For incurable breaches (Section VII.F):** That the lease term and the Lease Agreement will terminate on the thirtieth (30<sup>th</sup>) day after the date of the Notice of Termination.

- (5) That if the Family fails to voluntarily quit possession and occupancy of the dwelling unit by the end of the thirty (30) day period, the YSHA shall refer the file to its Court Advocate or attorney for appropriate review and action, which may include proceeding immediately with an eviction action in Tribal Court and for recovery of any outstanding rent, utility costs, damages, costs, and attorney's fees;
  - (6) That a \$25 fee will be added to the outstanding amount to cover the costs and preparation of the service of the Notice of Termination; and
  - (7) That, if required by law, the YSHA will advise the local governing body concerning the termination.
- b) **Service of the Notice of Termination:** Pursuant to Section 13-5-2(E) of the Yankton Sioux Tribe Landlord/Tenant and Housing Code:
- (1) if the Tenant cannot be located, service shall be made by delivering the notice to any family member of such Tenant over the age of twelve (12) years residing with the Tenant.

- (2) If service cannot be made on the Tenant personally or on such family member, notice shall be posted at a conspicuous place on the dwelling unit of the Tenant. If the notice is posted, a copy of such notice shall be mailed to the Tenant by certified mail.

3. **Eviction.** If the Family fails to appear at any scheduled court hearing in connection with eviction proceedings without prior notification to the YSHA, the YSHA will ask that a writ of possession be issued and proceed with forcible eviction.

**G. Collection of Legal Expenses Incurred In Enforcement.** To the maximum extent feasible, it is the YSHA's policy to recover legal expenses arising from noncompliance from the household that committed the breach. It is also the YSHA's goal to resolve disputes before legal action or expense is required. The YSHA recognizes that some Families may seek to cure a breach only after attorney expenses or court costs have already been incurred.

1. **Settlement Requirements.** To achieve its goals, the YSHA may condition any reinstatement upon the Family sharing the YSHA's legal expenses.

2. **Reservation of YSHA Rights.** This Policy shall not limit the YSHA's right to:

- a) Require additional assurances, reimbursement or payment from the Family as a condition of any reinstatement and/or settlement;
- b) Require security for the debt owed or agreed to be paid by the Family;
- c) Reject the Family's attempted cure or request to cure; or
- d) Seek judicial relief.



## **XI. MAINTENANCE POLICY**

Maintenance is the process of keeping the home, equipment and grounds from declining in usefulness and appearance.

**A. Definitions.** As used in this Admissions and Occupancy Policy, the term "home" includes roofs, attic spaces, windows, gutters, walls, porches, foundations, floors, etc. "Equipment" includes utility lines and piping, heating and plumbing equipment, pumps and tanks, ranges and refrigerators, and similar components. "Grounds" include lawns, roads, sidewalks, drainage, and similar physical features that surround and are part of the property.

**B. Purpose and Objectives.** The YSHA's objective is to provide decent, safe, and sanitary housing. This Policy sets the standards for the inspection and maintenance of Low Income Housing Tax Credit Program units, and is intended to ensure that several objectives are achieved:

1. To keep the home, equipment, and grounds from deteriorating and/or failing before the end of their useful life.
2. To remove detected conditions that may lead to injury or accident to occupants and others.
3. To identify potential problems and provide maintenance to prevent the need for future emergency maintenance or major structural or system failures in and around the home, commonly known as "preventive" maintenance.
4. To perform major repairs or improvements to the home or equipment, or the replacement of the item, commonly known as non-routine maintenance.

**C. Family Responsibilities:** Tenants are not responsible for repairs and maintenance necessitated by normal wear and tear, worn or defective parts or equipment, and natural events, disasters, or acts of God, such as hailstorms, wind, etc. However, Tenants are responsible for all residential damages caused by Tenants' misuse, abuse, neglect, and negligence.

**D. Types of Maintenance.** Maintenance is divided into the categories of Routine, Preventive, and Non-Routine, as set forth below:

1. **Routine Maintenance.** Routine maintenance is the day-to-day, ordinary maintenance of structures and equipment that have deteriorated through normal wear and tear. It includes responding to service needs when items are not functioning correctly; making minor repairs to systems and equipment; and replacing component parts of systems and equipment. Examples of routine maintenance include, but are not limited to, the following:

- a) Replacing furnace filters, fan belts, air cooler pads, and other minor mechanical equipment;
- b) Repairing or replacing hose bibs and interior water/sewer lines;

- c) Repairing or replacing electrical outlets, circuit breakers, outlet switch covers, and other minor electrical elements;
- d) Repairing or replacing locks, door and window hardware, floor tile and vinyl, minor segments of roofing, gutters and siding;
- e) Replacing thermostats and smoke detector batteries; and
- f) Interior painting.

2. **Preventive Maintenance.** The preventive maintenance program is the most important activity a Tenant performs. If performed properly, preventive maintenance minimizes the need for major corrective maintenance and maintenance expenses.

- a) Preventive maintenance requires the establishment of a regular, periodic schedule for the following types of work:
  - (1) checking fire safety and fire detection equipment (i.e., fire extinguishers and smoke alarms);
  - (2) inspecting, adjusting, cleaning and/or lubricating heating systems and equipment, such as furnaces, wood stoves and flues, ranges, hot water heaters, space heaters and refrigerators;
  - (3) inspecting and repairing plumbing systems and fixtures, including caulking around bathtubs, windows and exterior door frames;
  - (4) inspecting, repairing and replacing worn parts in electrical systems and fixtures;
  - (5) inspecting and repairing roofs, gutters and flashing;
  - (6) inspecting and repainting sealed surfaces that protect underlying structures and materials;
  - (7) inspecting for condensation, dampness and rot in wood materials, and for rust in metal components, and taking corrective action as needed;
  - (8) correcting erosion and drainage deficiencies;
  - (9) fertilizing and cultivating planted areas;
  - (10) inspecting sewer lines, clean-outs, and inspecting and pumping of septic system;
  - (11) inspecting and patching paved surfaces; and
  - (12) inspecting for and controlling vermin and pests.

- b) Preventive maintenance work is cyclical and can be scheduled during the "off season" of equipment use. For example, heating systems should be inspected, cleaned and repaired during the summer months to ensure that they will be operating smoothly when they are needed in the winter months. Painting should be scheduled during the spring, and minor preventive maintenance should occur year-round.

3. **Non-Routine Maintenance.** Non-routine (or extraordinary) maintenance is replacement, or improvement of the structure, systems or major equipment. Non-routine maintenance can be further defined as involving substantial expenditure, either planned or caused by unforeseen events (storms, total deterioration of system, abuse, vandalism). Examples of non-routine maintenance include:

- a) Replacing roofs;
- b) Replacing major systems of the home, such as heating or electrical systems;
- c) Replacing major equipment, such as water heaters or appliances; and
- d) Painting and/or re-siding the exterior of the home.

#### **E. YSHA Responsibilities.**

1. **General Inspection Requirement.** The YSHA staff is required to perform several types of inspections, including periodic inspections of all homes, as well as move-in, move-out, warranty and special inspections. The YSHA shall conduct initial, interim, annual and special inspections in accordance with Section IX of this Admissions and Occupancy Policy.

2. **Insurance Claims.** Promptly after receipt of notice or after having evidenced a condition that would require a claim to be filed, the YSHA shall notify its insurance company.

#### **3. Authority Maintenance Instruction Program**

- a) **Maintenance Responsibilities.** The YSHA provides instruction programs to train and advise Tenants of their maintenance responsibilities. The areas to be covered include:
  - (1) operation of appliances and equipment in the home;
  - (2) preventive maintenance programs;
  - (3) energy conservation; and
  - (4) routine maintenance and housekeeping methods.



- b) **Instructional Materials.** In addition, residents should be advised of the availability of additional instructional materials from the following sources:
- (1) U.S. Department of HUD (home construction and maintenance);
  - (2) Bureau of Indian Affairs (home construction and maintenance);
  - (3) Indian Health Service (water and sanitation facilities);
  - (4) schools (home economics, landscaping, adult education);
  - (5) social service agencies (home economics);
  - (6) utility companies (energy conservation);
  - (7) appliance manufacturer representatives (warranty and maintenance work on new appliances); and
  - (8) fire departments (fire prevention and protection).

**F. Maintenance Program.**

**1. Maintenance Requirements.**

- a) **Documentation.** All maintenance work shall be completed using the work order and purchase order system set forth below:
- (1) All maintenance work shall be recorded on a work order form, regardless of whether the work is initiated by a Family request or by YSHA staff.
  - (2) Work order forms must show the following information:
    - (a) date order taken;
    - (b) date completion promised;
    - (c) Family name, house number and address;
    - (d) repair needed;
    - (e) all materials used;
    - (f) materials cost;
    - (g) maintenance worker signature;
    - (h) date work completed;

- (i) time and hours on the job;
  - (j) whether repair to be charged to Family;
  - (k) type/priority of repair (i.e., emergency, urgent, vacant, non-routine, preventive, or routine);
  - (l) a space for the Tenant to sign if Tenant consents to the YSHA's entry into the unit when no family member is present to perform the indicated repairs.
  - (m) Family's signature upon acceptance.
- (3) **Process:** Completed work orders shall be submitted to the YSHA, along with the maintenance worker's time sheet, every two (2) weeks. Work order time must equal time on time sheet or payment for work will be reduced accordingly. Compensatory time will only be allowed for emergency service calls or for work previously authorized by the YSHA. All use of compensatory time must be approved in advance by the YSHA Executive Director or maintenance supervisor.
- (4) **Copy to Family:** One copy of the work order shall be given to the Family and one copy shall be placed in the Family's file folder. If the Family is to be charged for the repairs, one copy of the work order shall be placed in the Family's file folder and an adjustment slip should be made charging the Family's account.
- b) **Priority.** Maintenance work shall be scheduled in the following priority:
- (1) **Emergency.** Work that unless corrected or serviced immediately, the condition will adversely affect the health or safety of the occupants, or could lead to imminent or irreversible damage or deterioration to the home or equipment.
  - (2) **Urgent.** Work that should be done as soon as possible to prevent a major change in Family's lifestyle, i.e., lack of heat, water or electricity.
  - (3) **Vacant Unit.** Work that should be done on vacant units to prepare them for new YSHA residents.
  - (4) **Non-Routine.** Work as defined in Section XI.D.3.
  - (5) **Preventive.** Work as defined as Section XI.D.2.
  - (6) **Routine.** Work as defined in Section XI.D.1.

- c) **Charge Schedule.** To expedite charges to Families and reimbursement to YSHA for Tenant-caused damages, the YSHA shall use a standard list of charges for work, parts, equipment, travel and materials, which is updated periodically to reflect actual costs associated with commonly replaced parts and labor. This shall be prominently posted in the YSHA office and given to Families requesting the list.
- d) **Unlisted Charges.** For charges not included on the standard list, the YSHA will charge the Family for the actual costs incurred by the YSHA.
- e) **Cleanliness of Work Area.** The YSHA will not require maintenance workers to work in an unhealthy environment. Tenants must clean up the work area before any work is performed by YSHA staff. Tenants are responsible for ensuring cleanliness and correcting any unsanitary conditions.
- f) **Right of Entry.**
  - (1) Where the YSHA is either required or has the right to perform maintenance on a unit, YSHA personnel or agents may enter the home and perform the necessary work upon reasonable advance notice to the Tenant.
  - (2) The notice shall state the time and date when the work will be done.
  - (3) Pursuant to Section 13-9-3 of the Yankton Sioux Tribal Landlord-Tenant Code/Tenant and Housing Code, if the Tenant is not present at the appointed time and date, and if an emergency is deemed to exist, the YSHA shall have the right to enter the premises and perform the repairs.
  - (4) If no immediate emergency exists and Tenant's consent to enter has not previously been given, the YSHA shall (1) post a notice securely on the door of the unit rescheduling the time and date of the maintenance visit, and (2) make a reasonable attempt to notify the Tenant in person of the rescheduled visit.
  - (5) If the Tenant is not present for the second scheduled visit, then the YSHA shall notify Tenant of his/her breach of the Lease Agreement and that the Lease Agreement may be termination and the YSHA may obtain injunctive relief to compel access.
  - (6) Maintenance personnel shall carry proper identification with them and show it to a resident prior to entering the unit to investigate and/or conduct repairs.

2. **Maintenance Standards for Vacated Units.** The conditions of vacated units must be acceptable. All equipment and structural components in and around the home must be in acceptable working condition. Any work or equipment and materials to ready the home for the next Family shall be charged directly to the Family.

**G. Procurement.** Procurement of all maintenance equipment and materials shall be done according to the YSHA Procurement Policy.

## XII. DRUG AND ALCOHOL ELIMINATION POLICY

**A. Establishment of Drug and Alcohol Elimination Policy.** The YSHA Board of Commissioners has established the Drug and Alcohol Elimination Policy found in this Section. The purpose of this policy is to ensure the provision of a drug and alcohol-free environment for all YSHA residents.

### **B. Eviction and Termination.**

1. Violation of the Drug and Alcohol Elimination Policy constitutes an incurable breach of the Lease Agreement, as defined in Section VII.F, unless otherwise indicated below

2. Any person who resides in a dwelling unit under the control and management of the YSHA shall be immediately evicted and his/her Lease Agreement terminated, if he/she, a resident family member, or any guest or other person under the control of the resident commits any of the following acts:

- a) The illegal possession, manufacture, sale, distribution, use of or conspiracy or intent to manufacture, sell, distribute for use, a controlled substance as defined in Section 102 of the Controlled Substances Act (codified at 21 U.S.C. § 802) on or off YSHA premises. The term "controlled substance," as defined, generally includes, but is not limited to, marijuana and its derivatives, all narcotic drugs, amphetamines, and other hallucinogenic drugs.
- b) Being inebriated on YSHA premises during the term of the tenancy or selling or distributing alcohol to a minor on YSHA premises.

Note: Proof of conviction is not required. The premises include all YSHA housing units, all common areas, all administrative areas and all lands and buildings included in any lease of property from the YSHA to a Tenant.

**C. Applicability.** The immediate eviction requirements shall not apply to Tenants who have both:

1. not been convicted of any of the above illegal acts; and
2. who come forward voluntarily to seek treatment for substance abuse and/or drug addiction, provided said Tenant continues in an approved treatment program as is deemed necessary by the YSHA. However, in no event shall this exception apply to Tenants or their family members whose drug-related activity in their unit poses a direct threat to property or the safety of others in the project.

**D. Procedure Upon Notice of Termination.** In the event of a violation of this Policy, the Tenant shall have thirty (30) days from the date of the Notice of Termination to execute and deliver a compliance agreement approved by the YSHA Executive Director or to

vacate the premises. The YSHA may forbear the eviction of any resident and the termination of any lease agreement if the YSHA, in its discretion, determines that:

1. The resident has demonstrated successful completion of a supervised drug and alcohol rehabilitation program approved by the YSHA;
2. The circumstances leading to the ineligibility no longer exist, i.e., the resident involved in the drug or alcohol abuse no longer resides in the household and by written agreement, the Family agrees not to permit the individual onto the premises;
3. The resident has otherwise been rehabilitated successfully; or
4. The YSHA determines that there are existing extraordinary circumstances (such as the welfare of a minor child) and the resident agrees to complete any requirements set forth by the YSHA, including but not limited to periodic alcohol and/or drug blood tests or other tests and/or successful participation in a supervised drug and alcohol rehabilitation program approved by the YSHA.

**The determination of whether an applicant Family has met its burden of showing satisfaction of YSHA requirements is left to the sole discretion of the YSHA and nothing in this section shall require the YSHA's forbearance of eviction and termination where the Drug and Alcohol Elimination Policy has been violated.**

### **XIII. GRIEVANCE POLICY**

**A. Introduction.** The YSHA, in an effort to provide means whereby LIHTC Program applicants and Tenants are afforded an opportunity to seek relief from any adverse action by the YSHA, hereby adopts and promulgates rules and regulations establishing grievance procedures. The policy is not intended to provide a forum for an aggrieved party to challenge the YSHA's policies, Program requirements or regulations. The policy is only intended to assist in the resolution of complaints by LIHTC Program applicants and Tenants. These procedures supersede the previous grievance procedures utilized by the YSHA.

**B. Applicability.** These grievance procedures apply to all LIHTC Program applicants and Tenants who meet the definition of an "Aggrieved Party" set forth in Section XIII.C.1 below.

#### **C. Definitions.**

1. The term "Aggrieved Party" shall mean an LIHTC Program Applicant or Tenant who is adversely affected by an action or inaction of the YSHA but excludes Tenants whose Lease Agreements are terminated as a result of incurable breaches (See Section VII.F).

2. "Complaint" shall mean a proceeding brought under these grievance procedures against the YSHA for its action or inaction that may affect adversely, with reasonable certainty in the opinion of the aggrieved party, such aggrieved party's participation in a program/development.

3. "Program Applicant" shall mean an applicant for admission to the LIHTC Program administered by the YSHA pursuant to applicable laws, regulations and policies.

4. "Proposed Adverse Action" shall mean any action or inaction by the YSHA that may adversely affect, with reasonable certainty in the opinion of the YSHA, an aggrieved party.

#### **D. Notice of Proposed Adverse Action.**

1. **Adverse Action.** Adverse action includes, but is not limited to, a Notice of Termination of a Lease Agreement that is not exempt under Section XII.B.2.

2. **Notice Requirements.** Written notice of the proposed adverse action shall be given in accordance with the Family's Lease Agreement. In all other cases, notice shall be given at least ten (10) days before such action is to be commenced.

a) The notice shall:

- (1) Advise the aggrieved party of the specific grounds for the proposed adverse action and the right to file a grievance pursuant to these grievance procedures and also advise the party that a copy of the grievance procedures will be provided upon request.



- (2) Advise the aggrieved party that he/she has fifteen (15) days from the date of the notice within which he/she must file a grievance.
- (3) The notice shall also contain any additional information required by the aggrieved party's Lease Agreement with the Housing Authority.

**E. Grievance Procedures.**

1. **Right To Request Hearing.** The grievance or complaint must be signed by the aggrieved party and filed in the YSHA office within fifteen (15) business days of the Housing Authority's notice of proposed adverse action or the action that is the basis of the grievance. Upon timely filing a written grievance as provided herein, the aggrieved party shall be entitled to request a hearing before the YSHA Board of Commissioners, provided that all grievances shall first be presented pursuant to the informal procedure set forth in Sections XIII.E.2 and XIII.E.3 below.

2. **Informal Meeting.** Any grievance shall first be personally presented in writing to the YSHA Executive Director at the YSHA offices located at 410 South Main Street, Wagner, South Dakota 57380, so that the grievance can be informally discussed and possibly resolved between the aggrieved party, staff and Executive Director.

3. **Informal Resolution.**

- a) The Executive Director will, within five (5) business days of receipt of the grievance or complaint, review the written basis for the grievance and determine whether the grievance can be informally resolved.
- b) If the Executive Director, in his/her discretion, determines that the grievance cannot be informally resolved, the Executive Director shall issue a letter to that effect, which advises the aggrieved party of his/her rights under Section XIII.D.3.d below.
- c) However, if the Executive Director believes the grievance or complaint can be informally resolved, the Executive Director shall contact the aggrieved party to schedule a meeting, on a date convenient for the parties, at which the Executive Director will attempt to resolve the grievance.
  - (1) In the event that the aggrieved party does not appear at the meeting, the Executive Director may contact the aggrieved party and schedule a second meeting, or the Executive Director may decide the grievance and advise the aggrieved party in accordance with Section XIII.E.3.d below.
  - (2) If the aggrieved party appears at the meeting, then within five (5) days after the meeting, the Executive Director shall send a letter to the aggrieved party specifying the names



of the participants in the discussion, the date of the discussion, the disposition of the complaint, and the specific reasons therefore.

- d) The Executive Director's letter must advise the aggrieved party:
  - (1) of his/her right to request a hearing before the YSHA Board of Commissioners in accordance with Section XIII.E.4, and that a copy of the grievance procedure will be provided at the request of the aggrieved party;
  - (2) if the action involves termination of the Lease Agreement, that the aggrieved party has the right and opportunity, prior to any hearing or trial, to examine and, at the expense of the aggrieved party, to copy all pertinent documents, records and regulations of the YSHA related to the action complained of, provided that any such examination must be made upon reasonable notice, during the regular business hours of the YSHA, and in a manner not disruptive of the normal operations of the YSHA.

#### 4. Procedure To Request A Hearing Before The YSHA Board Of Commissioners.

- a) **Hearing Request.** If the aggrieved party desires to appeal the decision of the Executive Director made under Section XIII.E.3, the aggrieved party shall submit a written request for a hearing before the YSHA Board of Commissioners to the Executive Director within ten (10) business days after the date of receipt of the informal resolution decision of the YSHA. The aggrieved party's written request shall specify both (1) the reasons why he/she believes the decision of the Executive Director is wrong, and (2) the action or relief sought.
- b) **Hearing Procedures.**
  - (1) Upon timely receipt of a hearing request, the YSHA Board of Commissioners shall consider in its discretion whether to grant a hearing to the aggrieved party.
    - (a) If the Board grants a hearing, written notice of the date and time of the hearing shall be mailed to the aggrieved party at least five (5) business days before the date of the hearing. The hearing shall be scheduled at the earliest mutual conveniences of the Board and the aggrieved party. The aggrieved party has the right to examine all relevant documents, records, or regulations in the YSHA's possession which is directly related to the grievance prior to the hearing but is responsible for

requesting and paying for copies of said documents.

- (b) In cases where the YSHA's proposed adverse action is termination of the Lease Agreement and eviction, if the Board denies a hearing, written notice of the denial shall be mailed to the aggrieved party within fifteen (15) business days of receipt of the party's hearing request.
  - (2) If the aggrieved party fails to appear at a scheduled hearing, the YSHA Board of Commissioners may, in its discretion, either make a determination to postpone the hearing for a period not to exceed thirty (30) days, or make a final determination based upon the information submitted.
  - (3) At the hearing, the aggrieved party must show cause for the relief sought and why the decision of the Executive Director was erroneous.
  - (4) The hearing shall be conducted informally and the Board Chairman shall preside. Oral and documentary evidence pertinent to the facts and issues raised by the aggrieved party may be presented and received without regard to whether that evidence would be admissible under the rules of evidence employed in a judicial proceeding. The aggrieved party and the YSHA shall each be provided with an opportunity to present opening statements, to ask questions of and cross-examine the other party and any witnesses, and to be represented by counsel or other person chosen as representative.
  - (5) The hearing will take place after all other Board business is completed. All visitors and guests will be asked to leave the meeting during the hearing in order to preserve the privacy rights of the aggrieved party.
- c) **Decision of the YSHA Board of Commissioners.**
  - (1) The decision of the YSHA Board of Commissioners shall be based upon facts presented at the hearing and applicable laws, regulations and policies.
  - (2) Within ten (10) business days of the hearing, the YSHA Board of Commissioners shall prepare and send a written decision, signed by the Board Chairman, or the Chairman's authorized delegate, together with the reasons therefore to the aggrieved party after the hearing. The YSHA shall retain a copy of the decision in the aggrieved party's file.

The decision of the YSHA Board of Commissioners shall be final for the YSHA.


5. **Escrow.** Where a grievance involves monthly payments made under a Lease Agreement with the YSHA, the aggrieved party may not withhold payment(s) pending the Executive Director's and, where the Board has discretionarily accepted a review, the Board's resolution of the grievance. The YSHA shall place any disputed payments in a separate account and shall not use them for any purpose pending the final decision.


**XV. AMENDMENTS.**

Amendments to the above provisions shall be by resolution of the YSHA Board of Commissioners.

The above Admissions and Occupancy Policy was adopted by the Yankton Sioux Housing Authority's Board of Commissioners on 13th (day of week), July (month and day), 2007 effective immediately, with a subsequent thirty (30) day notice and comment period. Motion was made by Judy Lee, and seconded by Doug Powers

Motion carried by 3 YES, 0 NO, and 1 NOT VOTING.

  
Chairman

  
Executive Director

the request, the date of YSHA's receipt of the request becomes the new original application priority date.

- d) **Application File.** The Application, together with all other materials relating to the Family's eligibility, preference ranking, and similar documents, is maintained in an active file classified as "Applicants Apparently Eligible Pending Verification" for each applicant who has not been found ineligible or whose application has not been withdrawn. The date and time of receipt for each application shall be recorded on the application.
- e) **Confidentiality.** To the extent required by law, all information collected from and concerning applicants and current YSHA residents may be released to appropriate federal, state, and local agencies, when relevant, and to civil, criminal or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of the YSHA, except as permitted or required by law.
- f) **Recording.** All entries are to be made in ink, indelible pencil or typed. Corrections, changes and revisions are to be made by lining through the original entry and entering the new data. Such changes are to be dated and initialed by the person recording the change and should include the reason and authority for the changes.

**C. Eligibility Determination.** The YSHA makes reasonable efforts to determine the suitability of a Family for admission. Reasons for Family eligibility may include, but are not limited to, failure to qualify as a family or based on income, failure to comply with application requirements, including completing required forms or other requested information, assessment of previous occupancy with the YSHA, references from previous landlords, tenants, or persons with relevant knowledge, credit reports, and criminal background checks.

**D. Income Verification Requirements.**

1. All regular income sources, including asset income, must be verified. The YSHA uses a **Tenant Income Certification Form** to obtain third party verification. The YSHA always attempts to obtain written verification of income through third-party verification
2. Applicants must sign two copies of each verification form. The second copy may be used if the first request has not been returned in a timely manner.
3. Income verification requests must be sent directly to and from the verification source, and not through the applicant. The YSHA shall include a self-addressed, stamped envelope with the request for verification from third parties.
4. When written verification is not possible prior to move-in, direct contact with the source shall be acceptable to the YSHA but must be followed up by written verification.

5. The conversation must be documented in the applicant's file to include all the information that would be included in a written verification.

- a) The name and title of the contact, the name of the management representative accepting the information, and the date must be included.
- b) The YSHA shall use the **Document Viewed or Telephone Information Received Form** for documentation of a direct contact.

6. The YSHA shall provide the applicant with the opportunity to explain any significant differences between the amounts reported on the Application and any amounts reported on third-party verification in order to determine actual income. The file must be documented to explain the difference.

7. **Effective Term of Income Verification:** Written verifications of income are valid for ninety (90) days prior to move-in and annual recertification. After ninety (90) days, the information may be verbally updated from the source for an additional thirty (30) days. After this time a new written verification must be obtained. Verbal update must be documented in the applicant's file on the Document Viewed or Telephone Information Received Form.

**E. Acceptable Forms of Income and Asset Verification:**

1. Households receiving Section 8 assistance: The annual income for a household receiving housing assistance payments under Section 8 may be verified by obtaining a statement from the Public Housing Authority (PHA). The owner must submit the **Section 8 Eligibility Verification Form** to the YSHA for completion. If the form shows that the applicant's income does not exceed the applicable income limit, the household is eligible to occupy a rent-restricted unit.

2. Employment Income:

- a) 1st choice: **Employment Verification Form** completed by the employer or a statement from employer on company letterhead.
- b) 2nd choice: check stubs or earnings statements showing the employee's gross income per pay period and frequency of income.

3. Self - Employment Income:

- a) 1st choice: Federal tax return (Schedule C or F) or accountant's statement of net income.
- b) 2nd choice: current financial statements of the business and a certification from the applicant giving the anticipated income for the (twelve) 12 months following certification (this method to be used only for the first year of self - employment).

4. Social Security

- a) 1st choice: **Social Security Verification Form** completed by the agency providing the benefits.



- b) 2nd choice: most recent award or benefit notification letter prepared and signed by the authorizing agency.
- c) 3rd choice: **Social Security Check Verification Form** completed by the manager and applicant.
- d) Note: Prior to admission, Families must provide Social Security numbers for all Family members age six (6) years and older, if they have been issued a number by the Social Security Administration or sign a certification that they have not been assigned a Social Security number. If the individual is less than eighteen (18) years of age, a parent or guardian must execute the certification.

(1) Verification is made by review of a valid Social Security card issued by the Social Security Administration, or, if the applicant is unable to provide a card, through provision of one of the documents listed below:

- Identification card issued by a federal, state or local agency, or by an employer or trade union, or by a medical insurance company;
- Earnings statements or payroll stubs;
- Bank statements;
- IRS Form 1099;
- Benefit award notices from government agencies, unemployment agencies or retirement funds agencies;
- Life insurance policies;
- Court records, such as real estate tax notices, marriage or divorce papers, or judgment and bankruptcy records.
- If an applicant is able to disclose the Social Security number, but cannot provide the documentation, the applicant must sign a certification to that effect.
- Applicants who are unable to provide documentation will retain their position on the waiting list until such documentation can be provided.

5. Railroad Retirement Income

- a) 1st choice: **Railroad Retirement Verification Form** completed by the firm providing the benefits.
- b) 2nd choice: most recent award or benefit notification letter prepared and signed by the authorizing firm.

6. Unemployment Compensation

- (1) 1st choice: **Unemployment Benefits Verification Form** completed by the unemployment compensation agency.
- (2) 2nd choice: records from the unemployment office stating payment dates and amounts.

7. Workers Compensation or other Pension
  - (1) 1st choice: **Pension or Workers Comp Verification Form** completed by the agency providing the benefits.
  - (2) 2nd choice: most recent award or benefit notification letter prepared and signed by the authorizing agency.
  
8. Veterans Benefits
  - (1) 1st choice: **Veterans Verification Form** completed by the agency providing the benefits.
  - (2) 2nd choice: most recent award or benefit notification letter prepared and signed by the authorizing agency.
  
9. Military Pay
  - a) 1st choice: **Military Pay Verification Form** completed by the employer or statement from employer on business letterhead.
  - b) 2nd choice: check stubs or earnings statements showing the employee's gross pay per pay period and frequency of pay.
  
10. Child Support and/or Alimony
  - a) 1st choice: **Child Support and/or Alimony Verification Form** completed by the Clerk of Court for court ordered support.
  - b) 2nd choice: **Child Support and/or Alimony Verification Form** completed by spouse.
  - c) 3rd choice: copy of separation or divorce decree stating the amount and type of support payment schedule and a copy of the latest support check.
  
11. Welfare (AFDC)
  - a) 1st choice: **Social Services Verification Form** completed by the agency providing the benefits.
  - b) 2nd choice: copy of AFDC budget signed and dated by caseworker.
  
12. Recurring Contributions and Gifts
  - a) 1st choice: certification signed by the person providing the assistance giving the purpose, dates and value of the gifts, or a verification letter from the bank, attorney, or a trustee administering the contribution.
  - b) 2nd choice: certification from the applicant giving the purpose, dates and value of the gifts.
  
13. Scholarships, Grants, VA Educational Benefits
  - a) 1st choice: **Educational Assistance Verification Form** completed by the school.
  - b) 2nd choice: educational institution's written confirmation (award letter) of amount of assistance and amount designated for rent, utilities, or room and board.

- c) 3rd choice: copies of latest benefit checks, canceled checks or receipts for tuition, fees, books, and equipment, (if such income and expenses are not expected to change for the next 12 months).

14. Unemployed Applicants:

- a) The income of unemployed household members with regular income from any source such as Social Security, pension, recurring gifts, etc., must be verified as covered previously.
- b) If a household member is currently unemployed and claiming zero (0) income, the applicant must provide evidence of anticipated income for the certification year by completing a **Certification of Zero Income Form**. Unemployed applicants with no verifiable income may not be counted as low income, but may occupy a market rate unit if permitted by the management plan. The exception to this would be an applicant whose rent is being paid by a government agency; these applicants may be counted as low income.
  - (1) If the household is unemployed and intends to live off income from assets only, a **Certification of Zero Income Form** must be submitted. The asset income must be verified as described below.

15. Asset Verification Requirements:

- a) Checking accounts, savings accounts, certificates of deposit and money market accounts must be third party verified using the **Asset Verification Form**. Checking accounts must use the average balance for the last six (6) months, while savings accounts, CDs, etc. must use the current balance or value. Other assets such as bonds, stocks, IRAs and retirement funds may be verified by documentation provided by the applicant, such as copies of statements.
- b) After arriving at a total value of the assets, if the asset value is \$5,000 or less, the YSHA shall add the actual amount of income to be derived from the assets to the other verified household income.
- c) If assets exceed \$5,000, the YSHA shall add the greater of:
  - (1) the actual annual income to be derived from these assets, or
  - (2) the imputed income using the passbook interest rate to the total verified household income.

F. Other Required Verification.

1. Families requesting preference because of homelessness, displacement, or substandard or overcrowded housing will be required to provide adequate proof, e.g.,

2. As part of the process of assessing eligibility, the YSHA reserves the right to require other verification or documentary proof.

**G. Timing of Eligibility Determination.** Not less than ninety (90) days prior to move-in, all eligibility criteria will be verified and documented, upon which basis the final eligibility determination shall be made.

**H. Summary of Verification Information.** As verification of all necessary items for each application is completed, a summary of the verified information is to be entered in the space provided on the right side of the Admission Application form. The summary is to cover the following determinations and the basis for such:

1. Eligibility of applicant as a Family;
2. Income eligibility;
3. Appropriate size of unit;
4. Appropriate Monthly payment; and
5. Preference status, if any.

**I. Determination**

1. **Eligible:** If an applicant is determined to be eligible but the YSHA has no vacancies, the Family shall be placed on the waiting list and receive written notice of the placement and the approximate date that a vacancy may occur, if such date can be reasonably determined. If determined eligible, the YSHA will then execute Section 8 of the Tenant Income Certification form. Along with the Lease, the Certification form must be executed prior to move-in.

2. **Ineligible:** If, during or subsequent to the application interview or verification process, the YSHA determines that the applicant is ineligible, the applicant will be given prompt written notice of the determination stating the reasons for ineligibility. The notice shall also inform the applicant of any other program(s) for which the applicant may be eligible, and advise the applicant of any grievance rights in accordance with Section XIII below.

**J. Records To Be Maintained.** The YSHA shall retain the original application, notification letter, any applicant response, and any grievance records, including informal hearing and final disposition documents, for three (3) years. In the case of ineligible applicants, the foregoing documents, including sufficient documentation/information as to the reasons for the determination, shall be maintained in a separate file marked "ineligible Applications" for the same period.

**K. Waiting List.** A waiting list will be maintained by date, time of application, and priority if the applicant qualifies for a preference. The waiting list will be sorted by bedroom size.

The selection of Families from the waiting list will be consistent with the policies and goals set forth in Section IV of this Policy.

1. **Purging the Waiting List.** The YSHA annually updates the pool of active applications by requiring all persons on the waiting list to respond to a mailing requesting affirmative response and update by the applicant. Failure of an applicant to respond within fourteen (14) days shall constitute grounds for removing the applicant from the waiting list. Applicant must have written notice and the opportunity to file a grievance before being removed from the waiting list. If an applicant is removed from the waiting list, he/she must reapply in order to be considered.

2. **Suspending the Taking of New Applications.** If the number of Families on the waiting list is such that there is no reasonable prospect that additional applicants could be housed within the next two (2) years, the YSHA may suspend the taking of additional applications in any category affected. However, the YSHA may not refuse to accept an application from an otherwise eligible applicant who claims a preference unless it is determined that:

- a) There is already an adequate pool of applicants on the waiting list who are likely to qualify for a preference; and
- b) Based upon the anticipated turnover of housing, it is unlikely that the applicant in question will be offered housing before the other applicants on the list.

## **IV. FAMILY SELECTION**

**A. General Provisions.** In the event of an opening in the Program, selection of Families should proceed in such a manner as to:

1. Avoid concentrations of the most economically and socially deprived families in any one or all of the YSHA projects;
2. Attain a participant mix in each project composed of families with a broad range of incomes;
3. Preclude admission of applicants whose habits and practices may reasonably be expected to have a detrimental effect on the participants or the project environment; and
4. Give preference in the selection of applicants to families qualifying for an YSHA-established preference.

**B. Order of Selection.** Vacancies are filled in the following order:

1. **First Priority.** A Family eligible for a transfer, as described in Section IV.D if such a Family exists;
2. **Second Priority - Selection From the Waiting List.** If no transfer occurs, the vacancy will be filled by selection of applicants from the waiting list, according to the occupancy standards stated in Section V.A. Once the pool of applicants matching the unit characteristics is determined, the preferences stated below are applied.

a) **General Guidelines and Preferences.**

- (1) The YSHA extends a preference to those Families already on the YSHA's waiting lists for Low Rent and Mutual Help Programs.
- (2) **Local Preference:** Applicants who have been residents of the Yankton Sioux Reservation for the six (6) months prior to application receive a preference over non-local residents.
- (3) Elderly families, as defined, will receive preference for housing units designated for the elderly; the YSHA may also give preference to near elderly families for housing units designated for near elderly families;
- (4) Families with one or more persons with a disability will receive a preference for housing units with special accessibility features;
- (5) Families who are homeless or displaced shall be given preference over families who have shelter.



- (6) Families living in substandard or overcrowded housing shall be given preference over families living in homes that are not substandard or overcrowded.
- (7) Veterans shall receive preference over non-veterans.
- (8) Applicants that have been residents of Charles Mix County for six months or more preceding application shall receive preference over others.
- (9) New applicants receive higher preference over applicants who have previously obtained YSHA housing.
- (10) In all other cases, families shall be prioritized based upon the date and time of their applications with earlier applications having priority over those later in date.

3. **Informal Review of Preference Denials.** If it is determined that an applicant who has applied for a preference is not qualified for the preference, the applicant will promptly be notified in writing. The notification will discuss the reason(s) for the denial and offer the applicant an opportunity for a meeting to review the decision. The specific procedure for the meeting is set out in the YSHA's Grievance Policy in Section XIII.

**C. Non-Discrimination.** Subject to the preference provisions herein, all Families will be selected without regard to race, color, creed, religion, national origin, gender, age, handicap, disability or familial status. No person will be excluded from participation in or denied the benefits of YSHA housing because of membership in a class or group, such as unmarried mothers or recipients of public assistance. The YSHA shall comply with all applicable non-discrimination requirements.

**D. Transfers.** The YSHA must approve all unit transfers.

1. **Eligibility.** A Family is eligible to request a transfer when:

a) Reasons:

- (1) The number of Family members has permanently changed so that the current home is no longer appropriate, and the vacant home is an appropriate size.
  - (a) When a transfer is requested to a larger unit because of foster care children, a foster care parent license must be submitted to the YSHA.
  - (b) When a transfer is requested to a larger unit because of children being placed in the Family's custody, the YSHA may require the Family to show that they have legal custody or guardianship.

- (2) The Family has verifiable medical needs or a qualifying disability that cannot be accommodated in their present home, currently or after modification, and the vacant home can accommodate such needs.
- (3) The head of household has obtained permanent employment in a different area of the Reservation.
- (4) Transportation difficulties resulting from the distance between the Family's residence and the principal income provider's place of employment or access to community facilities necessitate transfer.
- (5) In extreme circumstances and for cultural reasons, such as a violent death in a unit, the YSHA shall give timely consideration for a transfer upon the written request.

b) Requirements:

- (1) Should existing Tenants wish to transfer to a different set-aside unit, the Tenant must be treated exactly as prospective tenants in a new move-in. Therefore, all application, verification, and certification procedures must be completed for the transferring tenant(s) as of the transfer date.
- (2) A previously qualified Tenant whose income now exceeds the applicable income limits may relocate to another low income unit within the same building, as the units exchange status.
  - (a) However, a Tenant whose current income exceeds the applicable income limit would not be eligible to move to a LIHTC unit in another building.
- (3) Before a Family will be allowed to transfer to another home, all amounts owed to the YSHA must be paid or the applicant must be under a repayment agreement and be current on payments thereon.
- (4) Transfers are not subject to the preference requirements.

2. **Maintenance And Repairs Performed.** If the unit of the Family desiring to transfer requires maintenance, replacement or repairs in order to prepare it for new occupants, the YSHA may disallow transfer or require the Family to pay an amount equal to the YSHA's estimate of the cost necessary to complete the work. If the actual cost exceeds the estimate, the Family shall be fully responsible for payment.

## V. OCCUPANCY STANDARDS AND ASSIGNMENT OF HOMES

To avoid overcrowding, the YSHA matches Family size to the bedroom size of the Housing Tax Credit unit in accordance with the following Occupancy Standards. Such standards may be waived when necessary to achieve or maintain full occupancy. Every family member, regardless of age, shall be counted as a person in determining the appropriate bedroom size, except where otherwise indicated. Dwelling units shall be assigned so that living room spaces are not used for sleeping purposes.

**A. Maximum and Minimum Family Size.** Low Income Housing Tax Credit units consist of single-family detached units with three bedrooms. The maximum family size is six (6) individuals and the minimum family size is \_\_\_\_\_.

**B. Children.** In determining the number of bedrooms required for a Family, the YSHA will take into consideration the sex, age and physical health of family members. Except for spouses and children up to five (5) years of age, persons of the opposite sex shall not occupy the same bedroom. Living rooms shall not be used for sleeping purposes. These standards may be waived by the YSHA only when a Tax Credit Program vacancy exists and it is necessary to achieve occupancy. Prior written Housing Manager recommendation and Executive Director approval is required for waiver.

**C. Notification of Families.** After the YSHA determines that a home is available, and makes the initial selection in accordance with Section IV, the following actions will be taken:

1. **Notice.** The Family selected shall be notified promptly of the vacancy and the approximate date the home will be ready for occupancy. The notice shall contain the following information:

- a) A statement that the family has been selected for a Low Income Housing Tax Credit unit.
- b) A statement of willingness to execute a Lease which must be returned to the YSHA by the applicant. The YSHA's notice to applicant shall state the name(s) of the person(s) who must sign the statement.
- c) A statement that the Family will be advised at a later date of the time and place for training activities and execution of the Lease and the name(s) of the person(s) whom must sign the statement.
- d) A statement that the Family's income will be subject to verification at the time of execution of the Lease.

2. **Family To Provide Information And Participate In Counseling.** The Family must provide to YSHA all information necessary to complete the application and admission process within fourteen (14) days of the date of YSHA's letter of notification.

- a) Families shall be given the opportunity to receive help in providing this information through the YSHA's Counseling Program.

- b) All families shall participate in the YSHA's orientation program in which the YSHA shall review the applicable Agreements and Policies, including this Low Income Housing Tax Credit Admissions and Occupancy Policy.

3. **Failure To Respond Or Participate.** If the selected Family does not respond to the YSHA's notification of a vacancy, does not provide the necessary information within the fourteen (14) day period above, or does not participate in orientation or counseling, the applicant will be disqualified, and the YSHA will proceed to select the next eligible Family.

4. **Rejection of Offer.** Applicants who reject two (2) offers of selection, or who fail to provide the necessary information and to participate as required by this Section, are moved to the bottom of the waiting list, except that the following circumstances will not count as rejections:

- a) The applicant is unable to move at the time of the offer and presents clear substantiating evidence, for example, a doctor verification that the applicant is physically unable to relocate at the required time.
- b) Accepting the offer would result in verified undue hardship to the applicant, such as temporary or seasonal employment, participation in education, and similar situations.

The YSHA reserves the right to accept other reasonable explanations for a failure to respond and/or to accept an offer.

5. **Verification At Time Of Admission.** At the time of admission, the applicant must indicate any changes in data used to determine eligibility, preference and monthly payments.

- a) If the data used in determining an applicant's eligibility, preference rating, and monthly payments is less than ninety (90) days old at the time of selection for admission, and the applicant states that no change has occurred in status, the data need not be re-verified.
- b) If the data used in determining an applicant's eligibility, preference rating, and monthly payments is greater than ninety (90) days old at the time of selection for admission, the YSHA shall re-verify the data in accordance with Section III.D.7 above.

**D. Security and Pet Deposits.**

1. A security deposit equal to \$\_\_\_\_\_ or one month's rent, whichever is greater, is required before occupying a YSHA unit.

2. Families shall not use security deposits as monthly payments. However, the YSHA shall use a resident's security deposit to pay for any delinquent payments owed or for damages to the unit at the time the unit is vacated.

3. A pet deposit of \$ \_\_\_\_\_, in addition to the security deposit, is required if the Family is authorized to keep a pet.

4. Any remaining security deposit shall be forwarded to the resident after vacation of the unit with an accounting of any deductions.

## VI. DETERMINATION OF MONTHLY PAYMENTS

**A. Minimum Monthly Payment:** Each Tenant in the LIHTC Program is required to make a minimum monthly rent payment.

**B. Basis of Rent:** The YSHA establishes a minimum and maximum rent which:

1. is based on the unit size, i.e., the number of bedrooms in the unit, and not on the actual family size;
2. shall not exceed 50% of the median income for low income participants and 30% of the annual gross income of very-low income participants, based on HUD published income levels for the area;
3. shall not drop below the rent floor, i.e., the limits in effect on the date that the occupied unit in the project was first included in the determination of whether the project was a qualified low income housing tax credit project;
4. as set, shall enable the YSHA to meet debt service;
5. is inclusive of any appropriate tenant-paid utilities costs, also known as a utility allowance; and

If a decrease in Housing Tax Credit rent limits result in lower maximum allowable rents for YSHA LIHTC units, the YSHA will lower the maximum rent for units accordingly. When Housing Tax Credit rent limits increase, any corresponding increases in a Family's rent will be made in accordance with the terms of the Family's Lease.

**C. Utility Allowances:** Tenants may receive a Utility Allowance subject to the conditions in this Section. Whenever the Tenant directly pays the utility costs, a utility allowance is used to determine the maximum unit rent that may be charged. The utility allowance is subtracted from the maximum gross rent to determine the maximum tenant portion of rent.

1. Utilities include heat, lights, air conditioning, water, sewer, oil and gas where applicable. Utilities do not include garbage removal, telephone or cable television.
2. The utility allowance for the YSHA LIHTC Program is based on the utility allowance established by the YSHA for the separate YSHA Low Rent Program.
3. Utility allowances are an estimate of the reasonable amount of utility use for the specific size and type of unit occupied. In most cases, this use shall be established by taking the average amount of utility usage (by specific size and type of dwelling unit) in each community. Utility companies providing service to YSHA low rent dwellings shall be required to provide information regarding utility costs and usage for all dwelling units owned by the YSHA, whether leased to Tenants or not. The cost information provided by the utility companies allows the YSHA to calculate a Utility Allowance based on a reasonable consumption of utilities by an energy-conscious household.



4. The YSHA shall also require utility companies to send copies of all utility bills to the YSHA so that the YSHA can monitor consumption. All Tenants are deemed to have agreed to the submission of copies of their utility bills to the YSHA as a condition of receiving the Utility Allowance. Failure to comply with the requirements of this Section shall be grounds to deny or terminate a Tenant's Utility Allowance.

5. The payment of utility bills, however, remains the obligation of the Tenant. Failure to pay or retain utility service is grounds for eviction.

6. The Utility Allowance will be automatically adjusted for changes in rate, to be effective on the first of the month that the utility rate increases. (See Section VIII.C below regarding adjustment of Utility Allowances.)

7. Flat rate Utility Allowances will only apply where the utility company charges a flat rate.

8. Cost of maintenance of wells and septic systems will be based on the going rates and will not include extraordinary maintenance items. The annual cost will be divided by twelve (12) to arrive at the monthly cost.

9. Families cannot accumulate Utility Allowance credit. Any excess Utility Allowance credit shall belong to the YSHA. The YSHA may require the utility company to bill the YSHA directly, and the Utility shall reimburse the YSHA, and not the Tenant, for excess credits.

**D. Other Prohibitions.** Credit rents and negative rents are prohibited.