

PUBLIC SERVICE PARTICIPATION GUIDE

- ❖ **Public Service activities** are based on total gross family annual income.
- ❖ **Housing activities** are based on total gross household annual income for all persons that occupy the housing unit.

DEFINITIONS

FAMILY

All persons living in the same household who are related by birth, marriage, or adoption.

HOUSEHOLD

All persons who occupy a housing unit whether related or not.

LOW- INCOME INDIVIDUAL / HOUSEHOLD

An individual / household that has an income equal to or less than 60% of the Area Median Income as established annually by HUD.

MODERATE- INCOME INDIVIDUAL / HOUSEHOLD

An individual / household that has an income 61% to 80% of the Area Median Income established annually by HUD.

ANNUAL INCOME

Annual income requirements are based on [24 CFR PART 5](#).

- All income earned by all adults (18+) within the household (even if temporarily absent).
- Unearned income attributed to a minor under the age of 18 (e.g., child support, TANF payments, SSI payment, and other benefits paid on behalf of a minor).
- All earned and unearned income anticipated to be received during the next 12 months.

Documentation of income may include, but is not limited to:

- Current employment paystubs showing payment period and year to date gross earnings.
- Verification of employment signed and dated by the employer showing gross total earnings and paid through date.
- Most current year income tax return with W2s, 1099s, etc.
- Current profit / loss statement, if self-employed.
- Benefit award letters.
- Six months of bank statements.
- Unemployment or disability benefit statement.
- Court orders or decrees.
- Verification of full-time student status, if aged 18 or older.

GROSS INCOME

Amount of income earned before any deductions (such as taxes and health insurance premiums).

CURRENT INCOME

The income the family / household is currently receiving at the time of the application for CDBG assistance. Income recently terminated that is not anticipated to be received again during the next 12 months should **not** be included.

INCOME INCLUSIONS

The following is a list of types of income that need to be included when determining household, family, or individual income. Additional information can be found at:

https://www.hud.gov/sites/documents/DOC_35699.PDF

- (1) The full amount (before any payroll deductions), of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services.
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
- (4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph.
- (5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions.
- (6) Welfare Assistance.
 - (a) Welfare assistance received by the family.
 - (b) If the welfare assistance payment includes an amount specifically designated for

shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and;
- (8) All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.
- (9) For Section 8 programs only and as provided in [24 CFR 5.612](#), any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 ([20 U.S.C. 1001 et seq.](#)), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 ([20 U.S.C. 1002](#))), shall be considered income to that individual, except financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph "financial assistance" does not include loan proceeds for the purpose of determining income.

(Note: This paragraph also does not apply to a student who is living with their parent(s) who are applying for or receiving Section 8 assistance.)

INCOME EXCLUSIONS

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under Income Inclusions.
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide, as defined in [24 CFR 5.403](#).
6. The full amount of student financial assistance paid directly to the student or to the educational institution (see Income Inclusions (9), above, for students receiving Section 8 assistance).
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm).
 - (a) Amounts received under training programs funded by HUD (e.g., training received under Section 3).
 - (b) Amounts received by a person with a disability that are disregarded for a limited time

for purposes of supplemental security income eligibility and benefits because they are set-aside for use under a Plan to Attain Self-Sufficiency (PASS).

- (c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.
 - (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident- initiative coordination. No resident may receive more than one such stipend during the same period of time; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program.
8. Temporary, nonrecurring, or sporadic income (including gifts).
 9. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era).
 10. Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse).
 11. Adoption assistance payments in excess of \$480 per adopted child.
 12. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts.
 13. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
 14. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
 15. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in [24 CFR 5.609\(c\)](#) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

ANNUALIZING WAGES AND PERIODIC PAYMENTS

- Review two (2) months current source documentation and the most recent income tax return with supporting W2's, 1099's, etc. (self-employment may need to take an average of 3 years).
- Add the documented gross amount earned from the two most current source documents.
- Use the following calculations to convert the average wage into annual income:
 - **Hourly wage** – multiply the hourly wage by the number of hours worked per week multiplied by 52
 - **Weekly wage** – multiply the weekly wage by 52
 - **Bi-weekly wage (every other week)** – multiply the bi-weekly wage by 26
 - **Semi-monthly wage (twice a month)** – multiply the semi-monthly wage by 24
 - **Monthly wage** – multiply the monthly wage by 12

PERIODIC EMPLOYMENT

To annualize other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work.

PUBLIC ASSISTANCE

For public assistance benefits (e.g., SSI, food stamps), a benefits statement received any time within the twelve months prior to the time of application and reflecting current benefits received by an applicant is allowed. A copy of a recent bank statement indicating direct deposit of benefit(s) is also acceptable.

ZERO INCOME

If there is an adult member listed on the application form who does not receive any income, the *Certification of Zero Income* form needs to be completed. This form can be accessed at: <https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/>

DETERMINING FAMILY / HOUSEHOLD SIZE

The income limits are adjusted by family / household size. Some may include persons who are not considered as members of households for the purposes of determining size and income eligibility, including foster children, foster adults, live-in-aides, and children of live-in-aides. These persons should not be counted as household members when determining household size, and their income is not included when calculating annual income. A child who is subject to a shared-custody agreement in which the child resides with the household at least fifty-one percent (51%) of the time can be counted in the family / household. For a child who is subject to a shared-custody agreement in which the child resides with each family / household fifty percent (50%) of the time, determination of inclusion will be based on eligibility as a dependent for income tax purposes.

CALCULATION TO DETERMINE ELIGIBILITY

To determine eligibility, review the income limits table on the Public Service Participation and Income form with the household size. Is the family / individual income for the household size sixty percent

(60%) or less than the Area Median Income? If so, the family / individual will qualify for the program based on income.

RACE AND ETHNICITY DEFINITIONS

The concept of race as used by the Census Bureau reflects self-identification by people according to the race or races with which they most closely identify. These categories are sociopolitical constructs and should not be interpreted as being scientific or anthropological in nature. Furthermore, the race categories include both racial and national-origin groups. The racial classifications used by the Census Bureau adhere to the October 30, 1997 Federal Register Notice entitled, ["Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity"](#) issued by the Office of Management and Budget ("OMB").

WHITE

A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as "White" or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab, or Polish.

BLACK / AFRICAN AMERICAN

A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as "Black", African American, or provide written entries such as African American, Afro America, Kenyan, Nigerian, or Haitian.

ASIAN

A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese, and Other Asian.

AMERICAN INDIAN / ALASKAN NATIVE

A person having origins in any of the original peoples of North and South American (including Central America) and who maintain tribal affiliation or community attachment.

NATIVE HAWAIIAN / OTHER PACIFIC ISLANDER

A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as Native Hawaiian, Guamanian, Chamorro, Samoan, and Other Pacific Islander.

AMERICAN INDIAN / ALASKA NATIVE AND WHITE

Meets the definition of American Indian / Alaska Native **AND** White.

ASIAN AND WHITE

Meets the definition of Asian **AND** White.

BLACK / AFRICAN AMERICAN AND WHITE

Meets the definition of Black / African American **AND** White.

AMERICAN INDIAN / ALASKAN NATIVE AND BLACK / AFRICAN AMERICAN

Meets the definition of American Indian / Alaskan Native **AND** Black / African American

OTHER MULTI RACIAL

Includes all other responses not included in the definitions listed above. Respondent providing write-in entries such as multiracial, missed, interracial, Wesort, or a Hispanic / Latino group (for example, Mexican, Puerto Rican, or Cuban) are included here.

ETHNICITY DEFINITION

The concept of Hispanic origin is separate from the concept of race. Under [OMB 1997](#) standards, “Hispanic” is not a race category, but an ethnic category that cuts across all races. Those who are White, Black, Asian, Pacific Islander, American Indian, or a multi-race may also be counted as being of Hispanic ethnicity.

When asking the individual / family / household to select a race category, the individual / family / household must also check whether they are of Hispanic ethnicity. One of the 10 race categories must always be selected. **BOTH** the race and ethnicity sections of the form must be filled out.