



AFFORDABLE HOUSING DETERMINATION PACKET



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GENERAL INFORMATION

Both the City of Santa Cruz Municipal Code and California State Law requires property owners to provide relocation assistance to displaced households and to replace demolished affordable housing units at a 1:1 rate and restricted at an affordable rate to eligible households. This packet is intended to assist property owners in determining if a tenant is a low to moderate income household for the purposes of relocation assistance and/or restricted affordable replacement housing requirements.

RELOCATION ASSISTANCE:

A property owner is required to pay relocation assistance to existing tenants who qualify as lower income households and who are displaced for the purposes of demolition and redevelopment. While the City's Zoning Ordinance includes requirements for relocation assistance, State Law now requires relocation assistance that supersedes the City's local requirements. State law requires that the relocation assistance described in Government Code section 7260 et seq. be provided to all lower income tenants. This includes moving costs and assistance in obtaining new housing and may require payment of up to 42 months of the difference between rent affordable to the tenant and the rent required to obtain an adequate replacement unit.

RESTRICTED AFFORDABLE REPLACEMENT HOUSING:

California State Law requires that housing provided or constructed to replace "protected" units be deed-restricted for a 55-year term at rents affordable to very low or low income households or sold at an affordable ownership cost. Protected units are units that are: (i) subject to a form of rent or price control in the last five years, including but not limited to restrictions under an affordability agreement or covenant, (ii) occupied by a lower income tenant in the last five years; or (iii) removed from the rental market within the last 10 years pursuant to the Ellis Act (Government Code Section 66300 and 65915(c)).

Additionally, if a project requests any of the benefits available under state density bonus law (Government Code section 65915), it must replace any "protected" units that were demolished in the past five years, even if the project itself doesn't include the demolition of any dwelling units. (Government Code section 65915(c)).

Only the demolition of one single-family dwelling and construction of one single-family dwelling in its place is exempt from this affordability requirement.

Developers must provide the addresses of the units to be demolished or converted and the names of the tenants who occupied the units during the past twelve month period.

Applicants (Developer, Property Owner, Property Manager or Project Representative) **must complete this Affordable Housing Determination Packet in full.**



**CITY OF SANTA CRUZ
AFFORDABLE HOUSING DETERMINATION PACKET**

APPLICATION CHECKLIST

READ ALL STEPS CAREFULLY

This application will be used to determine tenant's income level during their tenancy at the project site. Tenant's income level may qualify them for relocation assistance. Once complete email Elizabeth Hutton from the Housing Authority at elizabethh@hacosantacruz.org to schedule an application intake appointment. Please note that incomplete applications or applications with missing documentation will not be accepted and the intake appointment will be rescheduled. Application packets will only be accepted during the scheduled intake appointment. No email attachments will be accepted, and no dropped-off application packets will be accepted.

Check all documents submitted:

1. ☐ **Processing Fee:** Submit a check in the amount of \$250.00 made payable to the Housing Authority. *The check must be from the owner or developer of the property - no checks will be accepted from the Tenant. The \$250.00 will cover one hour of review. **More time for review and processing may be necessary if additional information is required and/or if application is incomplete upon submittal.** HA will notify applicant and owner/agent if additional processing time is required.*
 - o *If more than 1 hour is required, HA retains the right to track additional time and charge Property Owner accordingly. Any additional charges shall be paid by Property Owner prior to the HA's issuance of the Certification Letter. For each quarter of an hour (15 mins) over the initial 1 hour, \$33.50 may be charged.*
2. ☐ **Letter of Referral for Relocation Assistance:** Applicant to fill out, date, and sign for each tenant potentially subject to relocation assistance.
3. ☐ **Eligibility Application:** Applicant to fill out, date and sign. Provide all requested information.
4. ☐ **Authorization to Release Information:** Tenant to fill out, date and sign. This form authorizes the Housing Authority to collect information necessary to determine eligibility.
5. ☐ **Verification of Employment (VOE):** The applicant must provide 3 months of consecutive pay wage statements to fulfill this request. All submissions must be dated within 90 days of application submission. If a household member has two or more jobs, submit wage statements for each employer. Additional statements can be requested at the discretion of the Housing Authority. If a household member does not have pay wage statements they must submit the Verification of Employment Affidavit that they do not have income. Submit an affidavit for every household member who does not have earned income.
6. ☐ **Profit and Loss Statement:** Required only if self-employed; must be prepared by a certified accountant or bookkeeper on their letterhead. Must also submit complete, signed copies of three most recent federal income tax returns - must be signed in ink by Tenant, no photocopied signatures.

7. ☐ **Verification of Deposits and Assets (VODA):** Tenant to submit all pages of three months of statements from each account you held at the time of your initial tenancy. If you are a continuing tenant, provide current statements. All submissions must be dated within 90 days of application submission. Additional statements can be requested at the discretion of the Housing Authority. **If you do not provide this documentation when submitting your application, this will cause a delay in processing your application.**

You must submit a copy of the Award or Benefit Notification letter, earnings statement, account statement, lease agreement, etc., related to the below listed sources of income:

- | | |
|---|--|
| <input type="checkbox"/> Interest | <input type="checkbox"/> Retirement benefits |
| <input type="checkbox"/> Dividends | <input type="checkbox"/> Rental income |
| <input type="checkbox"/> Bonuses | <input type="checkbox"/> Disability payments |
| <input type="checkbox"/> Social security payments | <input type="checkbox"/> Unemployment insurance payments |
| <input type="checkbox"/> Checking accounts | <input type="checkbox"/> Savings Accounts |

8. ☐ **Alimony or Child Support:** Tenant to provide a copy of any alimony or child support court decree indicating payment schedules. If you were separated at that time, submit legal separation documents showing the payment schedule and amount.
9. ☐ **Stocks and Bonds:** Tenant to submit a copy of each or provide a Statement of Value from a broker, bank or certified public accountant showing the value of any and all stocks and bonds you own.
10. ☐ **Real Estate:** Tenant to submit a Statement of Estimated Value prepared by a real estate broker on letterhead, bank statements or a report from the County Assessor Office for all real estate owned.
11. ☐ **Federal Income Tax Returns:** Tenant to submit a copy of the federal income tax return for the past year (and current year if available). The tax return must be signed in ink by tenant, no photocopied signatures will be accepted. Include all appropriate Schedules used in filing your taxes including W2 and 1099 forms. If any adult member of the household was not required to file a tax return in the most recent filing year, they must complete the attached "Income Tax Affidavit". If you no longer have a copy of your tax returns and attachments for the period in question, you must submit IRS form 4506-T to the IRS to request said forms.

The above information is required of all adult household members - eligibility is calculated based upon income from all household members. The information must be verified by supporting documentation.

Lack of documentation will delay processing of the application.

Submission of incomplete applications may result in additional processing fees.

The completed application and the seller/landlord's check must be present during the intake appointment at the Housing Authority of the County of Santa Cruz at 2160 41st Avenue, Capitola, CA 95010.

SPECIAL NOTICES:

- 1. APPLICANTS MUST SIGN THE APPLICATION IN INK.**
- 2. APPLICANTS MUST RE-SIGN PHOTOCOPIES OF PRIOR YEARS' FEDERAL TAX IN INK.**
- 3. ALL SCHEDULES, W2S, AND 1099S SUBMITTED WITH THE ORIGINAL RETURNS MUST BE INCLUDED WITH THIS APPLICATION.**
- 4. EMAILS WITH TENANT ELIGIBILITY DOCUMENTS ATTACHED WILL NOT BE ACCEPTED BY THE HOUSING AUTHORITY. ALL SUCH DOCUMENTS MUST BE PRESENT DURING THE INTAKE APPOINTMENT WITH THE HOUSING AUTHORITY.**
- 5. THE HOUSING AUTHORITY IS UNABLE TO RETURN ORIGINAL DOCUMENTS TO YOU.**



LETTER OF REFERRAL FOR AFFORDABLE HOUSING DETERMINATION

Date: _____

Housing Authority of the County of Santa Cruz
2160 41st Avenue
Capitola, CA 95010

RE: Letter of Referral for Affordable Housing Determination

Unit Address: _____

This letter is to refer _____ ("Tenant") as a potential recipient of relocation assistance in connection with the tenancy at the unit listed above. This information is being supplied to determine if the Tenant's income and assets qualify the tenant for relocation assistance and to determine the level of affordability for any required replacement housing.

Enclosed is my \$250.00 check for processing the Affordable Housing Determination Packet.

Name of Developer:	
Mailing Address:	
Email Address:	
Phone:	
Tenant Name:	
Tenant Mailing Address:	
Tenant Phone:	

Signature of Developer



**CITY OF SANTA CRUZ
AFFORDABLE HOUSING DETERMINATION PACKET**

This application will be used to determine tenant's eligibility for relocation assistance and the level of affordability required for any replacement housing. Provide all information requested and email Elizabeth Hutton from the Housing Authority to schedule an intake appointment: elizabethh@hacosantacruz.org. Application packets will only be accepted during the scheduled intake appointment. No email attachments will be accepted, and no dropped-off application packets will be accepted.

A. Tenant Information

1. Legal Name: _____
Tenant Name Social Security Number
2. Current Residence: _____
Street Address City, State, Zip
3. Tenant Telephone: _____
Home Phone Work Phone Cell Phone

B. Co-Tenant Information

1. Legal Name: _____
Tenant Name Social Security Number
2. Current Residence: _____
Street Address City, State, Zip
3. Tenant Telephone: _____
Home Phone Work Phone Cell Phone

D. Tenant Employer Information

1. Employer Name: _____
2. Employer Address: _____
3. Employer Phone: _____
4. Employment Start Date: _____
5. Number of Hours Worked Per Week: _____
6. Gross Monthly Income (before deductions): \$_____

E. Co-Tenant Employer Information

1. Employer Name: _____
2. Employer Address: _____
3. Employer Phone: _____
4. Employment Start Date: _____
5. Number of Hours Worked Per Week: _____
6. Gross Monthly Income (before deductions): \$_____

Note: Eligibility is determined using income from all adult members of the household. Use additional pages if necessary to provide employment information for all adult household members

F. Family Composition - list all members of household at initial occupancy including Tenant and Co-Tenant

Household Member	Birth Date	Social Security	Relation to Tenant
			Tenant
			Co-Tenant

G. Tenant Income and Assets: (please provide income and asset information requested in the tables on the following pages)

Tenant eligibility is calculated using the annual gross income (as defined by Revenue Ruling 86-124 of the Internal Revenue Code) of all adult members of the household. Annual gross income is the sum of gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay plus any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc.; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Income from assets must also be counted.

The income to be taken into account in determining annual gross income is the income of the Tenant and any other person who lived in the residence in question. Income includes the income of both spouses as well as all household members 18 years of age and over.

GROSS ANNUAL INCOME WORKSHEET

Gross Annual Income at the time of initial occupancy- see Exhibit "A" for list of income inclusions/exclusions				
Household Member	a. Wages/Salaries	b. Benefits/Pensions	c. Other Income	d. Asset Income
				Enter line 4 amount from Gross Annual Asset Table (below) here. <div style="text-align: center;"> </div>
1 Totals	a. \$ _____	b. \$ _____	c. \$ _____	d. \$ _____
2. Gross Annual Income: (Enter total of Box 1a through 1d)				2.\$ _____

Gross Annual Assets - see Exhibit "B" for list of asset inclusions			
Household Member	Asset Description	Current Cash Value	Actual Income From Asset
3. Total Cash Value of Assets		3. \$ _____	
4. Total Actual Income From Assets			4. \$ _____

(continued next page)

Checking, Saving, Money Market Accounts Etc.,			
Depository Name/Address	Account Type	Account No.	Balance/Value

Submit **all pages** of each account.

(continued next page)

EXHIBIT “A”**ANNUAL INCOME INCLUSIONS AND EXCLUSIONS
24 CFR PART 5**

Part 5 Income Inclusions - This table presents the Part 5 income inclusions as stated in Section 5.609 of Title 24 of the Code of Federal Regulations.

General Category	CFR	Description
1. Broad Definition	24 CFR § 5.609(a)(1)	All amounts, not specifically excluded (see “ <u>Income Exclusions</u> ,” below), received from all sources by each member of the family 18 years or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age.
2. Imputed Returns	24 CFR § 5.609(a)(2)	When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Part 5 Income Exclusions - This table presents the Part 5 income exclusions as stated in Section 5.609 of Title 24 of the Code of Federal Regulations.

General Category	CFR	Description
1. Assets	24 CFR § 5.609(b)(1)	Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
2. Trust Distributions	24 CFR § 5.609(b)(2)	<p>(i) For an irrevocable trust or revocable trust outside of family or household control, excluded from the definition of net family assets under § 5.603(b):</p> <p>A. Distributions of the principal, or corpus, of the trust; and</p> <p>B. Distributions of income from the trust used to pay the costs of health and medical care expenses for a minor.</p> <p>(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.</p>
3. Minors’ Earned Income	24 CFR § 5.609(b)(3)	Earned income of children under the age of 18.
4. Foster Children/Adults Payments	24 CFR § 5.09(b)(4)	Payments received for the care of foster children or foster adults, or State and Tribal kinship or guardianship care payments.
5. Insurance Payments and Settlements for Personal or Property Loss	24 CFR § 5.09(b)(5)	Including, but not limited to payments through health insurance, motor vehicle insurance, and workers’ compensation.

General Category	CFR	Description
6. Reimbursements for Health and Medical Care Expenses	24 CFR § 5.09(b)(6)	Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
7. Lawsuit Settlements	24 CFR § 5.09(b)(7)	Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
8. Live-in Aide, Foster Children/Adults Income	24 CFR § 5.09(b)(8)	Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.
9. Financial Assistance	24 CFR § 5.09(b)(9)	<p>(i) Any assistance that Section 479B of the Higher Education Act of 1965 (HEA), as amended (20 U.S.C. 1087uu), requires to be excluded from a family's income; and,</p> <p>(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the HEA (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.</p> <p>(A) Student financial assistance means a grant or scholarship received from:</p> <ol style="list-style-type: none"> (1) the Federal government; (2) a State, Tribe, or local government; (3) a private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3); (4) a business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or, (5) an institution of higher education. <p>(B) Student financial assistance does not include:</p> <ol style="list-style-type: none"> (1) Any assistance that is excluded by paragraph (i), above; (2) Financial support provided to the student in the form of a fee for services performed (e.g., work study or teaching fellowship that is not excluded pursuant to paragraph (i), above; (3) Gifts, including gifts from family or friends; (4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph (ii) or paragraph (i), above, exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable

General Category	CFR	Description
		<p>and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. See paragraph (ii)(E), below, for more information.</p> <p>(C) For purposes of this paragraph (ii), student financial assistance must be:</p> <ol style="list-style-type: none"> (1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution; (2) Expressly to assist a student with the costs of higher education; or, (3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit. <p>(D) For purposes of this paragraph (ii), student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (ii).</p> <p>(E) When the student is also receiving assistance excluded under paragraph (i), above, the amount of student financial assistance under this paragraph (ii) is determined as follows:</p> <ol style="list-style-type: none"> (1) If the amount of assistance excluded under paragraph (i), above, is equal to or exceeds the actual covered costs under paragraph (ii)(B)(4), above, none of the assistance described in this paragraph (ii) is considered student financial assistance excluded from income under this paragraph (ii)(E). (2) If the amount of assistance excluded under paragraph (i), above, is less than the actual covered costs under (ii)(B)(4), above, the amount of assistance described in this paragraph (ii) that is considered student financial assistance excluded under this paragraph is the lower of: <ul style="list-style-type: none"> • The total amount of student financial assistance received under this paragraph (ii), or • The amount by which the actual covered costs under paragraph (ii)(B)(4), above, exceeds the assistance excluded under paragraph (i), above.
10. Educational Savings Account & Baby Bonds	24 CFR § 5.09(b)(10)	<p>(i) Income and distributions from any Coverdell educational savings account of or any qualified tuition program under IRS sections 529 and 530; and,</p> <p>(ii) Income earned by government contributions to, or distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.</p>
11. Military	24 CFR § 5.09(b)(11)	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

General Category	CFR	Description
12. Plan to Attain Self-Sufficiency (PASS)	24 CFR § 5.09(b)(12)(i)	Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a PASS.
13. Reimbursements From Other Publicly Assisted Programs	24 CFR § 5.09(b)(12)(ii)	Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program.
14. Resident Services Stipend	24 CFR § 5.09(b)(12)(iii)	Resident service stipends not to exceed \$200 per month. This is a modest amount provided to a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.
15. Employment Training Programs	24 CFR § 5.09(b)(12)(iv)	Incremental earnings and benefits from training programs funded by HUD or qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. 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 unless those amounts are excluded under § 5.609(b)(9)(i), above.
16. Reparations for Persecution	24 CFR § 5.09(b)(13)	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.
17. Earned Income of Dependent Students	24 CFR § 5.09(b)(14)	Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in 24 CFR § 5.611.
18. Adoption Assistance Payments	24 CFR § 5.09(b)(15)	Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in 24 CFR § 5.611.
19. Deferred SSI, Social Security Benefits, or Department of Veteran Affairs Disability Benefits	24 CFR § 5.609(b)(16)	Deferred periodic amounts from SSI and Social Security benefits that are received as a lump sum, or in prospective monthly amounts, or any deferred Department of Veteran Affairs benefits that are received in a lump sum amount or in prospective monthly amounts.
20. Veterans	24 CFR § 5.609(b)(17)	Payments related to aid and attendance for veterans under 38 U.S.C. 1521.
21. Property Tax Rebates	24 CFR § 5.609(b)(18)	Refunds or rebates under State or local law for property taxes paid on the dwelling unit.
22. State Payments to Allow Individuals with Disabilities to Live at Home	24 CFR § 5.609(b)(19)	Payments made or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who as a disability to reside in the family's assisted unit.

General Category	CFR	Description
23. Loan Proceeds	24 CFR § 5.609(b)(20)	The net amount disbursed by a lender to or on behalf of a borrower under the terms of a loan agreement received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance to purchase of a car).
24. Tribal Claims Payments	24 CFR § 5.609(b)(21)	Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.
25. Federally Mandated Income Exclusions	24 CFR § 5.609(b)(22)	Amounts that HUD is required by Federal statute to exclude for 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 § 5.609(b) apply. HUD will publish an updated notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.
26. Housing "Gap" Payments	24 CFR § 5.609(b)(23)	Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one Federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.
27. Nonrecurring Income	24 CFR § 5.609(b)(24)	Income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income, even if the source, date, or amount of the income varies. Nonrecurring income includes: <ul style="list-style-type: none"> (i) Payments from U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment. (ii) Direct Federal or State payments for economic stimulus or recovery. (iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received. (iv) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries). (v) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization. (vi) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
28. Civil Rights Settlements and Judgements	24 CFR § 5.609(b)(25)	Civil rights settlements or judgements, including settlements or judgements for back pay.
29. Retirement Plan	24 CFR § 5.09(b)(26)	Income received from any account under an IRS-recognized retirement plan, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from these accounts shall be income at the time they are received by the family.

General Category	CFR	Description
30. Family Self Sufficiency Account (FSS)	24 CFR § 5.609(b)(27)	Income earned on amounts placed in a family's FSS.
31. Self-Employment Income	24 CFR § 5.609(b)(28)	<p>Gross income received through self-employment or operation of a business; except that the following shall be considered income to a family member:</p> <ul style="list-style-type: none"> (ii) Net income from the 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 business or profession may be deducted, based on straight line depreciation, as provided in IRS regulations; and (iii) 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.

EXHIBIT “B”**NET FAMILY ASSET
INCLUSIONS AND EXCLUSIONS
24 CFR PART 5**

Part 5 Asset Inclusions - This table presents the Part 5 asset inclusions as stated in Section 5.603 of Title 24 of the Code of Federal Regulations.

General Category	CFR	Description
1. Broad Definition	24 CFR § 5.603(b)(1)-(2)	<p>Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.</p> <ul style="list-style-type: none">• Includes the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.• In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.• Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Part 5 Asset Exclusions - This table presents the Part 5 asset exclusions as stated in Section 5.603 of Title 24 of the Code of Federal Regulations.

General Category	CFR	Description
1. Necessary Personal Property	24 CFR § 5.603(b)(3)(i)	The value of necessary items of personal property.
2. Non-Necessary Personal Property	24 CFR § 5.603(b)(3)(ii)	The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers).
3. Retirement Account	24 CFR § 5.603(b)(3)(iii)	The value of any account under a retirement plan recognized by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals.
4. Real Property	24 CFR § 5.603(b)(3)(iv)	The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located.
5. Cash	24 CFR § 5.603(b)(3)(v)	Any amounts received in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability.

General Category	CFR	Description
6. Savings Account	24 CFR § 5.603(b)(3)(vi)	The value of any Cloverdell education savings account, qualified tuition program, and/or Achieving a Better Life Experience (ABLE) account under sections 530, 529, and 529A of the Internal Revenue Code of 1986, respectively; and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government.
7. Indian Trust Land	24 CFR § 5.603(b)(3)(vii)	Interest in land held in trust by the Bureau of Indian Affairs.
8. Manufactured Home	24 CFR § 5.603(b)(3)(viii)	Equity in a manufactured home where the family receives assistance under 24 CFR 982.
9. Homeownership Option	24 CFR § 5.603(b)(3)(ix)	Equity in property under Homeownership Option for which a family receives assistance under 24 CFR part 982.
10. FSS Accounts	24 CFR § 5.603(b)(3)(x)	Family Self-Sufficiency Accounts
11. Tax Refunds	24 CFR § 5.603(b)(3)(xi)	Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
12. Trust Funds	24 CFR § 5.603(b)(4)	In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.



TENANT INCOME TAX AFFIDAVIT

(Complete this form only if you did not file a federal income tax return for any of the past three years)

I, the undersigned, do hereby swear, certify, and affirm that:

1. I did not file a federal income tax return for the following years that corresponded to my initial tenancy at the unit in question:

_____ *(insert year)*

2. The reason I did not file a federal income tax return in the year identified above was:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ____ day of _____, 20__ in Santa Cruz, CA

Signature of Tenant

Printed Name of Tenant



AUTHORIZATION TO RELEASE INFORMATION

Tenant Name: _____

Co-Tenant Name: _____

Signature of Tenant below (use of the term "Tenant" herein includes both Tenant and Co-Tenant) authorizes the Housing Authority of the County of Santa Cruz to obtain any and all information concerning Tenant's employment, benefits, income and assets, and any other sources of income and any other information in connection with Tenant's City of Santa Cruz Relocation Assistance Application.

This form may be reproduced or photocopied and that copy shall be as effective a consent as the original of this form as signed by Tenant.

Tenant understands that this information is being collected by the Housing Authority of the County of Santa Cruz for the purposes of determining Tenant's eligibility to receive relocation assistance and in determining the level of affordability of any replacement housing and may be shared with the City of Santa Cruz.

Signature of Tenant

Date

Printed Name of Tenant

Signature of Co-Tenant

Date

Printed Name of Co-Tenant



TENANT CERTIFICATIONS

The undersigned (“Tenant” and “Co-Tenant”), in conjunction with this Affordable Housing Determination Packet hereby certifies the following:

1. Tenant understands and agrees that the City of Santa Cruz will impose conditions on the eligibility to receive Relocation Assistance as set forth in the Affordable Housing Declaration of Restrictions or Affordable Housing Development Agreement governing the unit.
2. Tenant’s gross annual income for the period of time in question as stated above is \$_____.
3. Tenant understands and agrees that this Application will be relied upon for purposes of determining Tenant’s eligibility for relocation assistance and in determining the level of affordability of any replacement housing.
4. Tenant understands and agrees that a material misstatement negligently made in this Application or in any other statement made by Tenant in connection with this Application will constitute a federal violation punishable by a fine, in addition to any criminal penalty imposed by law.
5. Tenant understands and agrees that, in addition, any material misstatement or false statement which affects Tenant’s eligibility will result in a denial of Tenant’s Application.

I declare under penalty of perjury in the State of California that the foregoing is true and correct.

Tenant Signature

Date

Tenant’s Printed Name

Co-Tenant Signature

Date

Printed Name of Co-Tenant



CITY OF SANTA CRUZ
VERIFICATION OF EMPLOYMENT AFFIDAVIT

(Complete this form only if you did not file a federal income tax return for any of the past three years)

I, the undersigned, do hereby swear, certify, and affirm that:

1. I did earn income within the last 90 days :
2. The reason I did not earn income in the last 90 days identified above was:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ____ day of _____, 20__ in Santa Cruz, CA

Signature of Tenant

Printed Name of Tenant