

St. Johns County Community Development Block Grant — Disaster Recovery Income Eligibility Policies and Procedures

Revised March 18, 2021



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OVERVIEW

This document describes St Johns County’s policy regarding calculating household income as well as approved income documents for eligibility and verification for the CDBG-DR program.

VERSION HISTORY

St. Johns County CDBG-DR Intake Center Policies and Procedures

Version	Date	Page	Description
#1	02/05/2019	NA	NA
#2	09/26/2019	Various	See Program and Policy Change Tracking Ledger
#3	05/20/2020	Various	See Program and Policy Change Tracking Ledger
#4	08/19/2020	Pgs. 4-7	See Program and Policy Change Tracking Ledger
#4.1	03/18 /2021	Page 4	See Program and Policy Change Tracking Ledger

VERSION POLICY

Version history is tracked in the table above, with notes regarding version changes. The date of each publication is also tracked in this table. The first version of this document is 1.0.

Substantive changes within this document that reflect a policy change will result in the issuance of a new version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and issuance of a new primary version number.

Non-substantive changes within this document that do not affect the interpretation or applicability of the policy (such as minor editing or clarification of existing policy) will be included in minor version updates denoted by a sequential number increase after the primary version number.

CALCULATION OF INCOME

Per the threshold requirements of the Action Plan and the requirements of the Register, St. Johns County primary goal is to benefit low- to moderate-income (LMI) households.

All applicants must meet income eligibility criteria in order to be eligible for assistance under the LMI priority. In order to meet this eligibility requirement, applicants must be

LMI with a total household annual gross income that does not exceed the 80% Area Median Family Income (AMFI) for St. Johns County, adjusted for family size, as published annually by HUD.

Per the State's Action Plan, LMI households are grouped into the following classifications:

- Very low income – has an annual income at 30 percent or below the area median income;
- Low income – has an annual income at 31 percent to 50 percent of the area median income; and
- Moderate income – has an annual income at 51 percent to 80 percent of the area median income.

The adjusted gross household income will be determined and verified in accordance with HUD approved Adjusted Gross Income methodology utilizing the IRS 1040 "long form". IRS 1040 forms will be collected for all household members as applicable. Dependents and their potential income will be recorded as such as indicated on IRS 1040 forms. Adjusted gross incomes as indicated on the IRS 1040 forms will be recorded for all household members and combined to calculate a total household income. This total household income must meet the income eligibility criteria set by HUD for LMI qualified households to qualify under the LMI priority. The Housing Program will use HUD's CPD Income Eligibility Calculator to document that income was calculated in accordance with the IRS 1040 Adjusted Gross Income definition and is within the required income limits for the program.

St. Johns County may be required to provide income information into the State of Florida's SERA site. This is the State's online Applicant tracking system for Irma and Matthew. Currently, the County is processing applications through manual intake and verification. Changes to the income verification process through the utilization of SERA per the request of DEO will be tracked in this document.

The program will use the 24 CFR Part 5 definition of annual income prior to September 1, 2020. After September 1, 2020, St. Johns County will use the IRS Form 1040 Adjusted Gross Income (AGI) method of income calculation for purposes of identifying and confirming household income unless the applicant did not file a Federal Income tax form for the most recent year. Self-employed applicants will be required to submit the most recent two years of Federal income tax forms. If the applicant did not file an income tax return, then the AGI Worksheet method will be used to determine Low-Mod Housing and Urgent Need. Income limits are established by HUD and updated annually.

The Intake Center staff will identify applications previously determined to be ineligible after application based solely upon the HUD Part 5 income definition. Outreach will be conducted to these homeowners to inquire if they are still interested in the housing assistance program, and applications may be reopened for those willing to provide the income documentation needed to complete the AGI income verification review. Applications reopened for the review of income under the AGI income definition will follow the same requirements for applicant responsiveness and providing documentation. The program has created an income legacy document that will identify the methodologies

used for the calculation of applicant income. Legacy document will allow compliance reviews to be done in the same lens as the calculations were performed.

VERIFYING INCOME

In verifying income, the Housing Program uses source documentation as evidence of annual income including review of documents and third-party verification. Applicants are required to provide their most recent IRS Form 1040 also referred to as the “long form.” The 1040EZ or “short form” is not acceptable for submittal for income verification and determination of applicant eligibility. The income calculation process must conform to HUD’s guidance in determining income and allowances for CDBG-DR funding allocations. Under the Annual Gross Income methodology of income calculation, the County will rely on the IRS 1040 adjusted gross income calculation to determine household member income. Income for all household members must be accounted for through the provision of IRS 1040 documentation. If the applicant, or a member of the household, did not file an income tax return, then the AGI Worksheet method will be used to determine income for that individual and any potential dependents.

All documents provided by the Applicant for verification of income will be copied and placed in the Applicant’s file to accompany their income calculation documentation.

Income documentation will be obtained through the application process. The Applicant will provide the necessary information in order to calculate income based on HUD’s approved Adjusted Gross Income methodology utilizing IRS 1040 Form. Source documentation will be obtained and third-party verification will be used as needed to verify claims or other eligibility criteria through the program on occasions that source documentation is not available.

Applicants will be provided a list of any additional documentation needed at the time of the application interview and will have 30 calendar days to return documentation before their application will be moved to an inactive status. Additional time may be provided for documentation that is not readily available to the Applicant, on a case-by-case basis.

INCOME ELIGIBILITY DETERMINATION

Application files that have had all required documents submitted will undergo an eligibility review to include income eligibility and calculation. The Case Manager will conduct the eligibility review and complete the Income Verification Form for each application. The Income Verification Form is a worksheet designed to collect all adjusted gross income data for all household members in order to calculate Total Household Income.

The Case Manager will complete the Income Verification Form based on information provided through IRS 1040 forms submitted for all household members residing in the applicable property. A peer review will be conducted to ensure accuracy of the income determination. Income is calculated and certified for the 12-month time period following the income verification. Income will be re-certified as needed.

Income eligibility will be updated as required to ensure the Applicant is eligible at the time of assistance.

APPENDICES

Appendix A- Technical Guide for Determining Income and Allowances for the HOME Program

**Income Eligibility Policies and Procedures
Program and Policy Change Tracking Ledger**

Page # (subject to change)	Section	Change in Detail	Policy Change Effective Date
1-7	All	Various formatting, grammatical, and spelling corrections not affecting the content or intent of the policy	9/26/2019
2	Version Policy	Added language on non-substantive changes to document to include minor editing or clarification of existing policy	9/26/2019
3	Calculation of Income	Removed language on non-LMI applicants being placed on a waiting list for consideration under Urgent Need.	9/26/2019
5	Verifying Income	Added language on documentation alternatives for child support	9/26/2019
6	Appendices	Added Technical Guide for Determining Income and Allowances for the HOME Program	9/26/2019
1-9	All	Various formatting, grammatical, and spelling corrections not affecting the content or intent of the policy	5/20/2020
6	Verifying Income	Changed from 15 days to 30 days for applicants to provide documentation after the application interview	5/20/2020
7	Income Eligibility Determination	Added language that income is certified for a 12 month period and re-certification completed as needed.	5/20/2020
3	Calculation of Income	Removed use of 24 CFR Part 5 income definition and replaced with IRS Form 1040 Adjusted Gross Income (AGI) method of income calculation effective September 1, 2020	8/19/2020
5	Verifying Income	Updated language to be consistent with requirements for AGI income calculations	8/19/2020
5	Income Eligibility Determination	Updated language to be consistent with requirements for AGI income calculations	8/19/2020

**Income Eligibility Policies and Procedures
Program and Policy Change Tracking Ledger**

4	Calculation of Income	Updated Language to identify the Legacy Document for the Program	3/18/2021
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