



RESPONSE TO THE KOB – CHANNEL 4 REPORT

ON HIGH INCOME FAMILIES IN PUBLIC HOUSING

Many local residents of Gallup recently viewed a KOB Channel 4 news report on the release of an Inspector General Investigation, which details the occurrence of over 25,000 high income families occupying “low income” public housing rental units. The report cited 98 cases in the state of New Mexico. Contained within the report were several instances occurring in Gallup Public Housing units.

As a result, Alfred Abeita, GHA Board Chairman and Richard F. Kontz, Executive Director of GHA wanted to respond to the KOB special on behalf of Gallup Housing Authority.

PUBLIC HOUSING RENT CALCULATION

A family's rent is calculated based upon family size and family income. When an applicant first applies for assistance, the staff make an initial determination of preliminary eligibility or ineligibility. The family is then placed on the waiting list for the house size best suited for them. As the family moves up on the waiting list and reaches a point where they are at the top of the list and there is a unit available that meets their respective housing need, then "final eligibility" is determined. This requires full-verification of the family's income and other eligibility documents.

GHA COMMENT

It is at this point where the family must be at or below 80% of AMI or what is termed "low-income." GHA has found instances where income has been falsified by families on their applications. In the past this did happen. Current staff now have access to an on-line Employment Income Verification system which allows them to be able to catch when a family does not fully disclose their income. Falsification of information to gain entry to public housing at a reduced rent is a federal crime and considered "fraud and embezzlement." Under the new board and new management this will not be tolerated.

TENANT LEASE AND ORIENTATION

After a family has met the criteria and has qualified as far as income guidelines are concerned then a lease is signed and they become a tenant of Gallup Housing Authority. They also are given a thorough orientation on their lease requirements, which include completing annual re-certification as required and to immediately report changes in family income and family size within ten days of the change.

ANNUAL RE-CERTIFICATION OR RE-EXAMINATION

On an annual basis the Tenant is required by HUD regulations to re-certify their documentation.

This is what is commonly referred to as “Annual re-certification or Annual re-examination.” At this time a family’s rent may be adjusted up or down based on any change in family income or size. Circumstances in a family’s situation may also cause changes in allowable deductions or adjustments which would affect their rent.

GHA COMMENT

Over time there is the possibility that a family due to increasingly better job opportunities eventually exceeds the 80% limit. When this happens GHA is not allowed to simply kick them out. It is HUD’s policy that families should seek to better themselves so that one day they may move out of public housing and perhaps purchase their own homes. Also, we need to point out that HUD allows for over-income tenants when Police Officers are approved for occupying a public housing unit for community policing purposes. Currently, GHA has five units designed for this purpose.

REPORTING CHANGES IN FAMILY INCOME OR SIZE

Last, when a family becomes a tenant and has signed the lease they are also required to sign the initial certification or recertification form and a “fraud affidavit,” which states that the family certifies they have truthfully disclosed all income and have not submitted fraudulent information. They acknowledge “to submit” false documents or “to fail to disclose” all income truthfully can be considered a crime subject to prosecution. They also agree to immediately report any change in family income or family size within 10 business days of the change.

GHA COMMENT

Typically, when family income goes down most families will come in very quickly and report the change for obvious reasons – their rent will be adjusted downward. When family income goes up unfortunately many families will not come in to report within 10 days. That only hurts the family if they wait too long before they come in. This is because when they finally come in the rent adjustment is calculated back to the effective date of their new income. This results in them owing “back rent” and sometimes the amount can be quite significant. We have seen situations where they may owe back rent of $1,500 to as high as $4,500. When this happens they typically cannot pay and are evicted. Also, if a tenant refuses to come in or delays coming in to meet

about changes their lease can be terminated. Last, many tenants think that the higher monthly rental rate does not kick in until it is discovered. What they don't realize is that the "back rent" is calculated to the date of the new income or other changes which affect rent calculations.

CLOSING REMARKS

We hope this helps you the citizens of Gallup to understand that as long as we are in charge of our local Housing Authority we will conduct our program activities with honesty and integrity. If you have questions or comments please do not hesitate to contact us at: ghauthority@qwestoffice.net.

Sincerely,

/s/ Alfred Abeita, Chairman of the Board, and Richard F. Kontz, Executive Director

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