

TULALIP TRIBES OF WASHINGTON
HOUSING DEPARTMENT

HOUSING MANAGEMENT POLICIES

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1. GENERAL PROVISIONS

These policies pertain to the following programs funded by the Indian Housing Block Grant (IHBG):

- a. The Homeownership Program, by which the Homebuyer enters into a lease with option to purchase, known as the Homeownership Agreement, with the Tulalip Tribes of Washington Housing Department, hereafter referred to as "Housing Department"; and
- b. The Rental Program, by which the tenant family enters into a Rental Agreement with the Housing Department to rent a housing unit.

1.1. Adoption

The Housing Management Policies are adopted by, and may only be amended by, the Tulalip Tribes Board of Directors.

1.2. Interpretation

If any provision of the Housing Management Policies conflicts with the Federal Regulations (24 CFR § 1000), the Federal Regulations shall prevail. If any provision of this policy conflicts with the Homeownership Agreement or the Rental Agreement, the Homeownership Agreement or Rental Agreement shall prevail.

2. ELIGIBILITY

2.1. Native Families.

2.1.1. Eligibility

Except as specified below, to be eligible for assistance the family must have at least one family member who is a member of a Federally-recognized Tribe.

2.1.2. Non-Indian Families

Non-Indian applicants may be eligible provided that the Housing Department has determined that the presence of the family is essential to the well-being of the community, and that the need for housing for the family cannot reasonably be met except under this program.

2.2. Income Requirements

2.2.1. Maximum income

Except as provided below, the family's Annual Income cannot exceed the applicable income limits for admission established by the Federal

regulations. The Annual Income definition used shall be the definition, as defined in the regulations, which is most advantageous for the applicant family.

2.2.2. Exception to maximum income limit

- a. Income limits apply at the time the Lease or Agreement with the Housing Department is signed. Families do not become ineligible if their income increases above the income limit after they have entered into an Agreement with the Housing Department.
- b. The Housing Department may provide for admission of applicants whose income is between 80% and 100% of median income if it is determined that there is a need for housing for such families that cannot reasonably be met except under this program.

2.2.3. Minimum income for Homeownership Program

To be eligible for the Homeownership Program, the family must have earned income of at least \$15,000 per year or must have sufficient income to qualify for private financing, with assistance provided through the Housing Department's Down Payment Assistance Program. The source of income must be reliable and ongoing.

2.3. Additional Criteria for Admission

A family will not be admitted whose conduct in present or prior housing is likely to diminish the health, safety, welfare, or quiet enjoyment of other tenants, or to adversely affect the project environment, the physical condition of the home or neighborhood, or the Housing Department's financial ability to operate the program and enforce tenant obligations without undue burden. Past habits and practices with respect to housing occupancy will be assessed to determine eligibility. Disqualifying factors include:

2.3.1. Outstanding debts

No family will be admitted who has an outstanding debt to the Tulalip Tribes or to any utility company that would prohibit the family from obtaining utility services. To be considered for eligibility, the family must repay the debt in full.

2.3.2. Fraud

No family will be admitted whose head or spouse has committed fraud as a participant or applicant in any tribal program.

2.3.3. Drug-related and criminal activity

- a. Except as specified in this Section, the Housing Department will not admit an applicant if any member of the family has been convicted, or was evicted from assisted housing, because of drug-related criminal activity during the three years prior to the application date. "Drug-related criminal activity is defined as "the illegal manufacture, sale, distribution, use, or the possession with

intent to manufacture, sell, distribute or use, of a controlled substance (as such term is defined in Section 102 of the Controlled Substances Act). "Assisted housing" means housing assisted under a Public or Indian housing program.

- b. Admission may be granted after the three-year period if the applicant clearly establishes and the Housing Department determines that in fact the person has successfully completed a rehabilitation program approved by the Housing Department; and the person no longer participates in any drug-related criminal activity.

2.3.4. Tribal Expulsion

No family will be admitted who has a member that has been expelled from the Tulalip Reservation for any reason including, but not limited to, the selling of controlled substances on the Reservation.

2.3.5. History of violence

No family will be admitted that has a member who has a history of engaging in violent criminal activity, which is defined as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property of another. The Housing Department will take into consideration the length of time since the last evidence of such activity, and the record of rehabilitation efforts on behalf of the family member.

2.3.6. False Statements

Any applicant or participant that knowingly makes false statements or provides false information to the Housing Department may be determined ineligible or terminated from the program.

3. ADMISSIONS

3.1. Application

3.1.1. Open process

Unless the waiting list is closed, applications are accepted from all families seeking participation in the Program.

3.1.2. Applicant responsibilities

The application constitutes the basic record of each Family applying for participation. Each applicant will be required to supply the information requested on the application form and to sign the application, attesting to the information provided. Applicants placed on the wait list are required to respond to any update requests as a condition of remaining on the list and as a condition of admission.

3.2. Eligibility Determination

3.2.1. Initial determination

The Housing Department shall make an initial determination based on the information provided in the application. Families shall be found to be “apparently eligible” or “apparently ineligible”, based on the information provided in the application.

3.2.2. Family determined apparently eligible

If an applicant is determined apparently eligible, the Family shall be placed on the appropriate 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.

3.2.3. Family determined ineligible

If at any time during the application process the Housing Department determines that the applicant is ineligible, the applicant will be given prompt written notice of the determination. The Notice shall state the reasons for ineligibility. The notice shall inform the applicant of any other program(s) for which the applicant may be eligible, and advise the applicant of the right to request an informal hearing according to the Housing Department’s Grievance Procedures.

3.2.4. Final determination

Not more than sixty (60) days prior to move-in all eligibility criteria will be verified and documented upon which basis the final eligibility determination shall be made.

3.3. Wait List

A waiting list will be maintained by date and time of application, sorted by bedroom size and Tribal preferences, if any.

3.3.1. Updating the waiting list

The Housing Department may periodically update the pool of active applications by requiring all persons on the waiting list to respond to a mailing requesting affirmative response regarding their applications. Failure of an applicant to respond permits the applicant to be removed from the waiting list.

3.3.2. Closing the waiting list

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 year, the Housing Department may suspend the taking of additional applications in any category affected.

4. SELECTION PROCESS

4.1. Selection from Waiting List

All vacancies will be filled by selecting applicants from the waiting list, according to the occupancy standards stated in this Policy. Once the pool of applicants matching the unit characteristics is determined, the preferences stated below are applied.

4.1.1. Order of selection

Selection shall be made in the following order, subject to the limitations below:

- a. Families whose Head and/or Spouse is an enrolled member of the Tulalip Tribes and a Veteran, as defined, by date and time of application; and then *(revised 08/05/05) (revised 09/08/06 Directive 29)*
- b. Other families whose Head and/or Spouse is an enrolled member of the Tulalip Tribes and not a Veteran, as defined, by date and time of application; and then *(revised 09/08/06 Directive 29)*
- c. Other families who have at least one Native American listed as an occupant, by date and time of application; and then *(revised 09/08/06 Directive 29)*
- d. All other applicants.

4.1.2. Order of selection - exceptions

- a. Elderly families, as defined, will receive preference for housing units designated for the elderly; and
- b. Disabled Families, as defined, will receive a preference for housing units with special accessibility features. *(revised 08/05/05, 01/05/07).*

4.2. Homeowner Successorship

The Housing Department's policy is to respect the Homebuyer's designation of qualified successor families. To the maximum extent, and consistent with the Homeownership Program and the needs of applicant families, the Housing Department seeks to maintain a continuity of family ownership opportunities for Homebuyer families leaving the program for reasons beyond their control. To achieve this goal, families will be encouraged, both during the initial contracting process and again during the annual re-certification process, to designate a successor.

4.2.1. Manner of designation

The Homebuyers' designation of a successor shall be made when the Agreement is executed, if possible, and may be changed from time to time by clear, written notice from the Homebuyer to the Housing Department. A family may list alternate successors in the event the

primary successor is ineligible or does not want the home. Alternate successors shall be considered in the order listed.

4.2.2. Allowable circumstances

A family living in a Mutual Help home may choose to vacate a home and designate a successor under the following circumstances:

- a. the family is in compliance with all obligations of the MHOA;
- b. an inspection of the home reveals no conditions that would be potentially unsafe or harmful to the new occupants;
- c. the family signs a Release, giving up all rights to the home and any accumulated MEPA funds. *(amended 6/2/06)*

4.2.3. Eligibility of successor

To be eligible, the designated successor must:

- a. be an adult member of the Homebuyer's family (including children, siblings, parents, grandparents, uncles, aunts and first cousins), who will promptly make the home his or her primary residence. *(revised 6/2/06)*
- b. be willing and able to pay the Administration Charge (or higher Required Monthly Payment, depending on income) and to perform all Homebuyer obligations under the Homeownership Agreement, including maintenance and replacements;
- c. satisfy program eligibility requirements (including family eligibility, income standards, no other home-ownership, Native/Indian status or waiver for Non-Indians under this Policy) and occupancy standards under this Policy; and,
- d. execute an assumption of the former Homebuyer's obligations under the Homeownership Agreement, including the responsibility to pay any accrued balance due.

4.2.4. Current homebuyers ineligible

A Homebuyer already occupying a Tribal Homeownership home is not an eligible successor. This covers both Heads of Household and Spouses, both of whom are considered Homebuyers.

4.2.5. Tribal designation of successor

If the designated successor does not meet all requirements, or there is no designated Successor, the Housing Department may, but is not required to, select a family member of the Homebuyer who meets all requirements.

4.2.6. Guardianship agreements

- a. Upon death or mental incapacity of the Homebuyer(s), and there is no designated eligible successor, and a minor child or children

of the Homebuyer are living in the home or away at school, the Housing Department may, in order to protect their continued occupancy and opportunity for acquiring ownership of the home, approve as occupant of the home an appropriate adult who has been appointed legal guardian of the children with a duty to perform the obligations of the Homeownership Agreement in their interest and behalf.

- b. The guardianship agreement shall remain in effect until the oldest child reaches majority, at which time that person shall become the head of household, if willing and eligible. If the oldest child is not willing to assume the responsibilities of the Agreement, the Agreement may remain in effect until the next oldest child reaches majority, so long as at least one child remains living in the home.
- c. If the legal guardian becomes unwilling or unable to perform the obligations of the Agreement, and no other legal guardian is appointed, possession of the home shall revert to the Housing Department.

4.2.7. Restricted land

In the case of a home on restricted land, an otherwise eligible successor who is ineligible to receive the Housing Department's interest in the underlying land may nonetheless succeed to the rights and obligations of the Agreement, provided that the successor agrees to any Agreement modifications necessary or desirable to conform to the land restrictions.

4.2.8. MEPA and Purchase Price Schedule

Successorship does not affect or interrupt the Purchase Price schedule, except that in the event of a dispute between the Housing Department and potential successors, the Housing Manager may temporarily suspend the amortization of the Purchase Price pending and subject to resolution or settlement of the dispute. All MEPA balances shall remain with the home, with all related rights and obligations with respect to those funds going to the successor family. No equity funds shall be paid to the former family in the event of successorship. MEPA payout is available only upon termination of the Agreement.

4.3. Transfers

Families living in a rental unit may apply for a different rental unit by completing an application and being placed on the waiting list. Depending on the circumstances, transfer families may have a preference over other families on the waiting list.

4.3.1. Families eligible for transfer (*Rental Program only*)

A Rental family is eligible to apply for a transfer when:

- a. The number of family members has permanently changed so that

the current home is no longer appropriate; or

- b. The family has verifiable medical needs or a qualifying disability, which cannot be accommodated in their present home, currently or after modification, and the vacant home can accommodate such needs.

4.3.2. Current in payments

Before a family will be allowed to transfer to another home, all housing debts owed to the Housing Department must be paid.

4.3.3. Maintenance and repairs performed

If the unit of the transferring family requires maintenance, replacement or repairs in order to prepare it for new occupants, the Housing Department may disallow transfer or delay the transfer until the family pays an amount equal to the Housing Department's estimate of the cost necessary to complete the work.

4.4. Assignment of Homes

To avoid overcrowding, the Housing Department matches family size to the bedroom size of Homeownership and Rental homes in accordance with the following Occupancy Standards. Such standards may be waived when necessary to achieve or maintain full occupancy.

Bedrooms	Minimum Persons	Maximum Persons
1	1	3
2	2	5
3	3	7
4	4	9
5	5	11

4.5. Notification of Families

4.5.1. Response Required

After the Housing Department determines that a home is available, and makes the initial selection, the family selected according to this Policy shall be notified promptly of the vacancy and the approximate date the home will be ready for occupancy. If the selected family does not respond to the Housing Department's notification of a vacancy or does not provide the necessary information within the required time as specified in the notification, the applicant will be removed from the waiting list and the Housing Department shall proceed to select the next eligible family.

4.5.2. Rejection of offer

Applicants who reject an offer of selection 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's verification), that the applicant is physically unable to relocate at the time required.
- 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.

4.6. Over-crowded and Over-housed Families

4.6.1. Termination of Agreement

If a family living in Rental Housing is determined to be over-crowded (family size is greater than Maximum Persons for unit size) or Over-housed (family size is smaller than Minimum Persons for unit size), then the Housing Department may terminate the Rental Agreement and require the family to move to an appropriately sized unit. *(Amended 9/7/07, Directive #25)*

4.6.2. Basis for Termination

The decision to terminate an Agreement shall be based on the degree to which the unit is inappropriate (for example a two person family living in a five-bedroom unit would more likely be moved than a four-person family living in a five-bedroom unit), and the number of families either living in current housing or on the waiting list who need the home the family will be vacating. *(Amended 9/7/07, Directive #25)*

4.6.3. Moving Costs and Charges

If a family is required to move under this section, all costs associated with moving shall be paid by the Housing Department. However, the family shall be responsible for costs to repair all damages beyond normal wear and tear. *(Amended 9/7/07, Directive #25)*

5. RENTS AND HOMEBUYER PAYMENTS

5.1. Determination of Rents *(amended 4/1/06, Directive #18)*

5.1.1. Prior to July 1, 2006

Rents shall be the lesser of the Market Rents established by the Housing Department or 30 percent of Monthly Adjusted Income, as defined by the program requirements.

5.1.2. Effective July 1, 2006

Rents shall be calculated by multiplying the Monthly Adjusted Income, as defined by program requirements, by 20 percent. This calculated rent may not exceed the greater of the ceiling rent, as determined by the Housing Department, or 10% of the Monthly Adjusted Income.

5.1.3. Effective July 1, 2007

Rents shall be calculated by multiplying the Monthly Adjusted Income, as defined by program requirements, by 20 percent. This calculated rent may not exceed the greater of the ceiling rent, as determined by the Housing Department, or 15% of the Monthly Adjusted Income.

5.1.4. Effective July 1, 2008

Rents shall be calculated by multiplying the Monthly Adjusted Income, as defined by program requirements, by 20 percent.

5.2. Determination of Homebuyer Payment**5.2.1. Tribally-financed Homes**

Homebuyer Payments shall be the highest of the following, not to exceed the maximum payment as established by the Agreement, or any other maximum payment as determined by the Board of Directors: *(revised 09/09/05 Directive 67)*

- a. 15 percent of Monthly Adjusted Income, as defined by the program requirements; or
- b. the Administration Charge, as determined by the Housing Department, up to a maximum of 30% of Monthly Adjusted Income for those families entering into an Agreement since October 1, 1997. *(amended 4/1/06, Directive #19)*

5.2.2. Privately-financed Homes

Payments for privately-financed homes shall be equal to the sum of the mortgage payments plus any additional payments for repayment of down payment assistance, if required.

5.3. Annual Income Review

Each year, all families participating in the Mutual Help and Rental Housing Programs who are not paying maximum payments are required to submit sufficient documentation to enable the Housing Department to estimate their income for the next year. Families who fail to provide income information when requested shall be considered in violation and may be subject to termination of the Agreement. *(Amended 09/07/07, Directive #25)*

5.4. Reporting changes

In addition to submitting information required at the time of the annual income review, Families shall report to the Housing Department the following changes in Family circumstances, within ten (10) days:

- a. Changes affecting family composition: loss or addition of any Family member through marriage, death, divorce, birth, adoption or any other circumstances.
- b. Changes affecting Income: increases or decreases in income as a result of changes in Family composition, employment, benefits, or any other reason.

5.5. Adjustments Due to Errors

5.5.1. 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;
- b. a good faith error which, when corrected, results in decreased rent.

5.5.2. 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.

5.5.3. Tribal errors

The Housing Department will not calculate retroactive increases if an income change was reported in a timely manner with sufficient verification provided and the Housing Department 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 which is made in accordance with this Policy, but which turns out to be inaccurate.

5.6. Failure to Report Income Changes

If it is found at any time 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 Housing Department shall collect the increased payment retroactive to the first of the month in which the changes occurred.

6. LEASING

6.1. Execution of the Agreement

All adult members of the household, excluding Live-in-Aides, as defined, The all of whom are considered Homebuyers or Renters throughout this Policy, and the authorized Tribal representative, shall execute the Homeownership Agreement or Rental Agreement prior to actual admission.

6.2. Change of home

If for any reason a Family transfers to a different home, the existing Agreement shall be canceled, and the Participant shall execute a new Homeownership Agreement or Rental Agreement for the home into which the Family is moving.

6.3. Amendments to Agreement or Rental Agreement

If the Housing Department desires to change, amend or waive any provision of the Agreement with respect to any individual or group of homebuyers or tenants, an appropriate addendum or amendment shall be prepared, signed by the family and Housing Department's representative, and attached to and made part of the Agreement.

6.4. Termination of Agreement or Rental Agreement

Termination of the Homeownership Agreement or Rental Agreement shall be in accordance with the terms of the Agreement and applicable law. For terminations due to nonpayment or financial ineligibility, the Housing Department has established specific procedures. Except for incurable breaches of Agreements described in this Policy, the Housing Department shall make a reasonable effort to work with families in curing breaches of the Agreement.

6.5. Payoff of Mutual Help Homes

Families participating in the Mutual Help Homeownership Program may, at their option, choose to pay off the balance owed prior to their scheduled conveyance date (per their amortization schedule). As an incentive for early payoff, families will be given a discount of 20%, or other such discount as approved by the Board of Directors. This discount shall be computed on the Total Remaining Loan Balance (net of MEPA) per the Payoff Schedule as of the date the family pays off the balance. *(revised 11/04/05)*

6.6. Incurable breaches of Agreement or Rental Agreement

Certain breaches of the Homeownership Agreement or Rental Agreement are of a nature so serious and damaging to the community that the Housing Department is not required to offer a plan of action to the Homebuyer or Tenant prior to termination. These include, but are not limited to, the following:

- a. felonious criminal activity, such as drug-related criminal activity and crimes involving the abuse of minors;
- b. violence, such as assault, use or threats of physical or deadly force; use, discharge, or assaultive display of weapons in and around the development;
- c. maintenance of conditions hazardous to the health of the occupants and the project, including maintenance of fire risks, discharge of pollutants or unsanitary waste.
- d. The Housing Department's maintenance of insurance to cover the kinds of risk areas described above shall in no way limit its right to take reasonable action to protect the project environment, neighboring families, and Tribal property.

6.7. Principal Residency Requirement

Throughout the term of the Homeownership Agreement or Rental Agreement, Homebuyers and Tenants must use the home as their principal place of residence. Ownership or use of another residence is prohibited, unless it is a secondary home necessary for the family's livelihood or for cultural preservation, and it is not another Tribally-owned home. Any income derived from or as a result of the use of the home must be reported and included in Annual Income.

6.8. Homeowner Sublease Policy

In limited circumstances a Homebuyer family may receive approval to sublease the home during a tribally approved absence that is necessary, temporary and nonrecurring. "Temporary" means an absence not exceeding two years.

6.8.1. Duration of sublease

The initial term of a sublease may be for a period of between thirty days and twelve months. The sublease may be extended for additional periods; however under no circumstances may an absence, for any reason or combination of reasons, exceed two years. Failure to return to the home within the allowed time authorizes the Housing Department to terminate the Agreement.

6.8.2. Allowable justifications

Subleasing is permitted only during the time period the Homebuyer or family member is participating in one of the temporary activities specified below.

- a. Education. An accredited program of training or education designed to enable one or more family members to acquire the skills necessary to obtain gainful employment.
- b. Medical reasons. A medical or other rehabilitation program, including confinement in a hospital or other facility, as required by a licensed physician, or other qualified professional.

- c. One-time employment or service opportunity. A one-time absence to take a verified job or service opportunity, not to exceed one year. Any request to sublease under this category more than once during the course of the Homebuyers' Homeownership participation, and any request to exceed the one-year limit, is subject to approval by the Housing Manager.
- d. Military service. The requirement for the family to relocate to a military installation due to military service.

6.8.3. Subleasing disallowed

Subleases and temporary absences are not authorized for Homebuyers who have committed substantial breaches of the Agreement. No Subleasing is authorized until any amounts owed by the Homebuyer to the Housing Department are paid in full. No sublease shall be permitted if the home is not in habitable condition.

6.8.4. Eligible sublessee

An eligible sublessee must meet all eligibility requirements of this policy, as long as the home will not be overcrowded according to the occupancy standards.

6.8.5. Sublease payment

The Homebuyers' Required Monthly Payment shall continue to be based on the Homebuyers' income. The Homebuyer shall continue to cooperate in annual and interim certification of income. The payment by the Sublessee shall be determined by the Homebuyer. The Homebuyer shall accurately report the sublease payments received as income.

6.9. Business Use of Home (Homeownership Only)

The Housing Department may grant permission for the business use a homeownership unit if the Family provides written assurances of the conditions stated below. Permission may be rescinded upon violation of these conditions:

- a. The dwelling unit will remain the Family's principal residence.
- b. The business activity will not disrupt the basic residential nature of the housing site and neighborhood.
- c. The business will not require permanent structural changes to the dwelling unit that could adversely affect a future Family's use of the dwelling unit.
- d. The Family has a current business license and liability insurance, as applicable.
- e. The activity does not violate zoning codes, project covenants and/or homeowner association rules.

6.10. Structural Modifications

Homeownership Program only: A Homebuyer may not make any structural changes in or additions to the dwelling unit unless the Housing Department has determined that such change will not:

- a. impair the value of the home, the surrounding homes, or the project as a whole;
- b. affect the use of the home for residential purposes; or
- c. violate any Federal, State or local building code requirements as to construction and/or design.

6.10.1. Approvable alterations and additions

Additions which may be approved include, but are not limited to, energy conservation items such as solar panels, wood-burning stoves, flues and insulation.

6.10.2. Homebuyer expense

Any changes made in accordance with this section shall be at the Homebuyer's expense, and in the event of termination of the Agreement, the Homebuyer shall not be entitled to any compensation for such alterations, additions, or improvements, which automatically become the property of the Housing Department.

6.10.3. No liens

The Homebuyer shall not permit any liens or liabilities to encumber the unit, including mechanics or suppliers liens. In the event Homebuyer breaches this requirement, the Housing Department may take any reasonable action to protect itself, the home and the land from encumbrances and liability, and may withhold payout of any Monthly Equity Payments Account (MEPA) balance or other funds pending the Homebuyers' satisfaction of such liability.

6.10.4. Homebuyer loan program

Contingent upon funding and NAHASDA requirements and subject to Procedures established by the Housing Department, loans shall be made available to qualified homebuyers to be used for improvements of their homes. A maximum loan amount shall be determined by the Housing Department, and payments including interest will be structured so that the total of the house payment plus the loan payment does not exceed thirty percent (30%) of the family's monthly adjusted income. Loans for families who are above the low income limits shall be made from non-program income (*revised 09/09/05 Directive 65*).

6.10.5. MEPA loans

Eligible homebuyer families shall be allowed to borrow from their MEPA accounts, subject to procedures established by the Housing Department. MEPA funds may only be used for specific purposes as determined by the Housing Department, and payments including interest will be structured so that the total of the house payment plus the loan payment does not exceed thirty percent (30%) of the family's monthly adjusted income (*revised 09/09/05 Directive 66*).

6.11. Payback Agreements (*revised 02/03/06, Directive 13*)

To maximize a Family's compliance, achieve the goals of the Homeownership and Low Rent program, and avoid evictions, families with delinquencies or a pattern of late or inconsistent payments, must enter into a written plan of action. The plan of action is generally documented in a Payback Agreement, which specifies the plan for paying the Family's debt. A Family which fails to pay or is unable to pay the Required Monthly Payment, and Families which incur debts to the Department for maintenance, abuse or replacements which are greater than one month's Administration Charge or Tenant Rent, shall take prompt remedial action.

6.11.1. Short Term Basis Only

Payback Agreements are made available to Families in recognition of unavoidable or unexpected financial problems, and are intended to be of a temporary and short-term nature. Unless otherwise authorized by signature of the Housing Manager or designee, the term of the Payback Agreement shall not exceed twelve months.

6.11.2. Corrective action

The Family shall enter into a Payback Agreement with the Housing Department and, if a Homebuyer, have the amount deducted from the MEPA with a Payback Agreement to replenish the MEPA.

6.11.3. Breach of Payback Agreement

Breach of the Payback Agreement authorizes termination of the Payback Agreement at the election of the Department upon notice to the Family. Breach of a Payback Agreement also authorizes termination of the Homeownership or Rental Agreement.

6.11.4. Reinstatement of Payback Agreement

The Department may reinstate a terminated Payback Agreement upon appropriate payment and assurances from the Homebuyer. After termination of a Payback Agreement, the Department may require the Family to enter into a new Payback Agreement.

6.11.5. Restrictions where Payback Agreements have been breached

For Families who breached their last Payback Agreement, a substantial lump sum payment may be required before a new Payback Agreement will be accepted. The Housing Department may place a limit on the number of Payback Agreements a family will be allowed during the term of their tenancy.

6.11.6. Wage Garnishments *(revised 02/02/07, Directive 50)*

Families who fail to pay their housing obligations and refuse or otherwise fail to enter into a Payback Agreement and who are employees of Tulalip Tribes or any other Tribal entity shall be subject to garnishment of their wages as allowed by HRO 84 Section IV.A.4, or other applicable ordinances and policies.

6.12. Remaining Member(s) of Tenant Families (Rental Program)

If all signers of a Rental Agreement either become deceased or otherwise move out of a rental unit, the Rental Agreement shall be considered terminated and all remaining occupants shall be required to vacate the unit. *(revised 09/08/06 Directive 31)*

An exception may be made upon the recommendation of the Housing Manager and the approval of the General Manager to enable minor children to continue to reside in the home following a divorce, and guardianship of the children has been legally granted to a person who has consented to be a signer to the Agreement. This exception shall be of a temporary nature only, and shall expire when the Guardian no longer has custody of the children, or when all of the children reach majority, whichever occurs first. At that time the Agreement shall be considered terminated and all occupants shall be required to vacate.

6.13. Payroll Deductions

All families who are employees of Tulalip Tribes shall agree to have their monthly payments paid by payroll deductions. Per Tribal Ordinance 84, Section IV.A., families having delinquent obligations to the Housing Department shall have up to 15% of their gross earnings per pay period deducted until their debt to the Housing Department is paid in full.

7. INSPECTIONS

7.1. 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 Homebuyer or Tenant, until the home is repaired, cleaned and ready for occupancy.

7.2. Follow-up 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 periodic inspection will occur no more than four months after the move-in date.

7.3. Periodic Inspection

The Family and a Tribal representative will conduct an inspection of the dwelling unit approximately once each year. The periodic inspection is conducted to ensure that the dwelling unit is being properly maintained. If families have shown that the dwelling unit is being well-maintained, the Housing Department may elect to conduct inspections on a less frequent basis. However, in no event shall a dwelling unit be scheduled for inspection less frequently than every two years. Families living in Financed and Re-Financed homes are not subject to the inspection requirements of this section. *(Amended 4/6/07, Directive #34)*

7.4. Special Inspections

A special inspection will be conducted where deficiencies are noted at the follow-up or periodic inspection or when damages or other violations are suspected.

7.5. Vacate or Move-out Inspection

An inspection of a home being vacated will be required.

7.6. Community Inspections

The Housing Department will conduct community inspections to note items in need of repair, general trends of Family neglect, and any deficiencies in the appearance or upkeep of homes.

8. MAINTENANCE

8.1. Definitions

As used in this Policy, the term "home" includes roofs, attic spaces, windows, gutters, walls, gutters, porches, doors, 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 surround and part of the property.

8.2. Purpose and Objectives

The Housing Department's objective is to provide decent, safe and sanitary housing. This policy sets the standards for the inspection and maintenance of Homeownership and rental units, and is intended to ensure that several

objectives are achieved:

- a. To keep the home, equipment and grounds from deteriorating and/or failing before the end of their useful life.
- b. To remove detected conditions that may lead to injury or accident to occupants and others.
- c. 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.
- d. To perform major repairs or improvements to the home or equipment, or the replacement of the item, commonly known as non-routine maintenance.

8.3. Family Responsibilities

8.3.1. Homebuyers

Homebuyers are responsible, per the Agreement, for all maintenance of the home, including all repairs and replacements, including repairs and replacements necessitated by damage from any cause. The Housing Department shall not be obligated to pay for or to provide any maintenance of the home other than the correction of warranty items reported during the applicable warranty period.

8.3.2. Tenants

Tenants are responsible for any damage to the home caused by any member of the household or any guest of a household member. In addition, tenants are responsible to notify the Housing Department immediately upon the discovery of any defect or damage that may result in further damage if not repaired.

8.3.3. Failure to maintain home or report damages and defects.

- a. Failure of the resident to perform the maintenance responsibilities constitutes a breach of the Agreement. Upon a determination by the Housing Department that a breach has occurred, the Housing Department shall require the resident to agree to a specific plan of action to cure the breach and to assure future compliance.
- b. If the problem is not remedied within the required time frame set by the Housing Department, or if the resident fails to agree to a reasonable plan or fails to carry out the agreed-to plan, the Housing Department shall terminate the Agreement.
- c. Repeated failure to maintain the home and/or equipment, and/or repeated damage to the home and/or equipment is cause for termination of the Agreement and eviction.

8.4. Hazardous conditions

If the condition of the property creates a hazard to the life, health or safety of the occupants, the Housing Department shall have the work done, and charge the cost thereof to the tenant or Homebuyer in accordance with the terms of the Agreement. If the Homebuyer has insufficient MEPA balance to cover the cost of the repairs, the resident shall be required to sign a Payment Agreement; and may be required to replenish the MEPA pursuant to a Payment Agreement.

8.5. Tribal Responsibilities

8.5.1. General inspection requirement

The Tribal 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.

8.5.2. Periodic inspections

When a Family is in compliance with all the provisions of the Agreement, the Housing Department will perform the periodic inspections approximately once a year. If at any time it is determined the Family is not in full compliance with all terms of the Agreement, the Housing Department may conduct inspections on a more frequent basis.

8.5.3. Maintenance Work Order System

All maintenance work shall be completed using an approved work order and purchase order system. Maintenance work will not be done without an authorizing work order, including routine maintenance and vacate (non-routine) maintenance.

9. FINANCIAL MANAGEMENT *(01/06/06; Directive 18)*

9.1. Compliance Requirements

- a. It is the policy of the Tulalip Tribes of Washington that tribal financial accounting for the Indian Housing Block Grant Program will conform to Generally Accepted Accounting Principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB) and as required by OMB Circular A-133. All Tribal financial accounting will adhere to all applicable laws and regulations, if required. Accounting is to be construed herein to include the recording, reporting and interpreting of all Tribal financial data whether the accounting is for management and board information purposes or for external requirements, as in reporting to financial institutions and Government agencies.
- b. The Housing Department Housing Manager has the overall responsibility to ensure that all financial transactions related to the expenditure of

Indian Housing Block Grant funds, as well as other sources of housing funds, are allowable according to the limitation of the grant under which they are expended, including but not limited to, OMB Circular A-87. Tribal Ordinance #128 describes the establishment of the Group of Monitors that is in place to help the Housing Manager ensure that these requirements are met.

9.2. Budget Administration and Reporting

- a. The HUD budget for the Tulalip Tribes Housing Department shall be established according to the requirements of the Indian Housing Block Grant Program. The Department shall, with the approval of the General Manager and the Board of Directors, establish an Indian Housing Plan for the Tulalip Tribes which shall include a budget describing the sources and uses of housing funds for the coming year. The schedule for completing the Indian Housing Plan shall conform to the regulatory requirements, and shall be submitted to the Northwest Office of Native American Programs following its approval by the Board. In addition, the Housing Department shall provide the General Manager and the Board of Directors any budget information requested that is necessary for the Tulalip Tribes to complete its overall budget for the Tribal Government.
- b. The Finance Department shall provide to the Housing Housing Manager a monthly financial report showing the receipts and expenditures of each open grant. Actual receipts and expenditures shall be compared to budgeted numbers, with variance information also provided.
- c. The Housing Housing Manager shall have access to the Housing Data Systems reporting functions so that periodic reports related to Tenants Accounts Receivable can be processed as needed.
- d. At the end of each quarter, the Finance Department shall prepare the Federal Cash Transactions Report (272-I), as required by the IHBG program.
- e. At the end of each year, the Housing Housing Manager shall prepare and submit the Annual Performance Report to the Board of Directors for approval. The report shall be submitted to HUD on or before the deadline.

9.3. Audits

- a. Per OMB Circular A-133, "the audit shall be conducted in accordance with GAGAS. The audit shall cover the entire operations of the auditee; or, at the option of the auditee, such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year, provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and other organizational unit, which shall be considered to be a non-Federal entity. The financial statements and schedule of expenditures of Federal awards shall be for the same fiscal year."

- b. The Tribes shall make the determination as to how the audit of the housing program will be conducted, according to the requirements of OMB Circular A-133. An audit firm is procured according to the Tribes' Procurement Policy. A separate A-133 audit of the Housing Department will be conducted if required by the funding agency.

9.4. Accounting Records

Accounting records and source documents shall be maintained by the Finance Department in a manner sufficient to comply with the audit requirements of OMB Circular A-133. Records shall be kept a minimum of three years following closure of the applicable grant, or longer if there is litigation, claim, negotiation, audit or other action involving the records. As part of the ongoing self-monitoring process, accounting records shall be reviewed by the Housing Manager or designee to ensure that records are being maintained in an adequate manner in order to ensure the accurate determination of how all housing funds are expended.

9.5. Allowable Costs

All Indian Housing Block Grant funds shall be restricted according to the requirements of OMB Circular A-87, and according to the definition of "allowable activities" specified in the NAHASDA statute and 24 CFR §1000. Any expenditure determined to be outside these restrictions shall be reimbursed or otherwise paid with tribal (non-program) funds.

9.6. Internal Controls

9.6.1. Objectives

The Tulalip Tribes shall maintain a process of internal administrative and accounting controls designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with applicable laws and regulations. Internal Controls are a process implemented by management designed to provide reasonable assurance regarding the achievement of the following objectives:

- a. Transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with laws, regulations, and other compliance requirements;
- b. Transactions are executed in compliance with (1) laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; (2) any other laws and regulations that are identified in the compliance supplement; and (3) funds, property and other assets are safeguarded against loss from unauthorized use or disposition.

9.6.2. Separation of Duties

Wherever practicable, the duties surrounding a transaction shall be separated. These include the attributes of authorization for the transaction, recording the transaction, and custody of the asset.

9.6.3. Supervision and Training

The procedures shall be written and available to all employees. Further, it is the responsibility of the Housing Manager and the CFO to ensure that the employees are trained in the application of the adopted procedures, and that the procedures are practiced, and make changes to the procedures when necessary.

9.7. Investments

9.7.1. Internal Controls

There shall be adequate safeguard of all grant and sub-grant cash, real and personal property and other assets. At a minimum, the following steps are to be taken:

- a. Investment transactions shall be authorized by the Tulalip Tribes Executive Financial Officer (EFO) and approved by the Board of Directors.
- b. Investment documents shall be kept by the Finance Department in a fire-resistant locked file cabinet, safe deposit box, or other similarly secured location.
- c. Individuals responsible for custody of securities shall be someone other than an individual maintaining the accounting records.
- d. Investments shall be maintained in a custodian or trust account.
- e. Investments shall be only in the name of the Tulalip Tribes.
- f. Investments shall be recorded in detail in an investment ledger, including a schedule of maturity dates. The register/record shall be maintained in such a manner that a determination can be made as to the amount of investment securities purchased from each fund and at a minimum provide for recording a complete description of investment instrument, date of purchase, purchase price, interest rate, and applicable date of sale or maturity. The investment register/record may also be used to identify the source of funds invested (i.e., IHBG funds, MEPA funds, tenant security deposit funds, operating funds, etc.). The investment ledger shall be reconciled to the general ledger on a monthly basis.
- g. A system shall be in place to insure that all interest earned is collected and credited to the appropriate Tulalip Tribes Housing Department program.

9.7.2. Investment Instruments

The Tulalip Tribes Housing Department shall only invest in HUD-approved investment instruments as described in PIH 96-33 *Required HA Cash Management and Investment Policies and Procedures*, or such later notice that may supersede PIH 96-33. The term of the investment shall not exceed two years. Every effort shall be made to achieve the highest possible yield within the investment limitations required by the Federal government.

The following describes allowable investment instruments (see PIH 99-4 *Administrative Requirements for Investing Indian Housing Block Grant Funds*, or such later notice that may supersede PIH 99-4):

- a. Obligations of the United States; obligations issued by Government sponsored agencies; securities that are guaranteed or insured by the United States; mutual (or other) funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities that are guaranteed or insured by the United States; or
- b. Accounts that are insured by an agency or instrumentality of the United States or accounts that ensure the continuous and full collateralization of deposits that are in excess of FDIC insurance amounts to ensure protection of the funds, even in the event of bank failure. Collateralization shall consist of identifiable U.S. Government securities as prescribed by HUD and specific authority contained in the agreement permitting HUD to exercise its rights pursuant to 24 CFR §1000.60.

9.8. Rent and Homebuyer Payments

- a. Payments made by Rental Tenants and Homebuyers shall be charged and collected by the Housing Department according to the Housing Management Policy. Monthly statements shall be provided to tenants and homebuyers by the Housing Department detailing the balances owed by each family.
- b. A written receipt shall be provided to tenants and homebuyers at the time payments are made. Payments received by check shall be receipted when received, and the receipt shall be mailed to the family.
- c. Payments shall be recorded to each account, and deposited on a daily basis. Persons taking payments shall not be responsible for making up the deposits, or taking the deposits to the bank. The total of all cash received each day shall be reconciled with the daily closing report showing all receipts issued.
- d. Tenants and homebuyers who fail to make payments in a timely manner shall be subject to remedies specified in the Rental or Homeownership Agreement.
- e. All adjustments to the homebuyer or rental accounts shall be approved by

the Housing Manager.

9.9. Program Income

9.9.1. Financial Management System

- a. All IHBG program income that is received and expended must be recorded as part of the financial transactions of the program, and therefore shall meet the minimum standards for financial management as described in 24 CFR § 85.20.
- b. Non-program income shall be properly accounted for and expended, and shall contain sufficient information to adequately identify the source and documentation for the activity.

9.9.2. Safekeeping and Documentation

Adequate controls shall be maintained for all cash, real and personal property, and other assets whether acquired with program or non-program income. All fixed assets shall be properly inventoried and accounted for according to the Tribes' Property Management Policy.

9.9.3. Tracking Loan Payments

A permanent loan record shall be maintained for each loan that includes all transactions that affect the loan balance and all financial information on the loan. If the loan is a deferred payment loan, the records shall include information that reflects the terms of the deferral to ensure that the dates of future repayments, if any, are clearly indicated.

9.9.4. Tracking Sales of Property

Record-keeping systems shall identify all properties acquired or owned and rehabilitated using IHBG funds. This is necessary to ensure that the proceeds of sale are properly treated as program or non-program income. As required by the IHBG Program, proceeds from the sale of equipment or supplies that were purchased with IHBG funds shall be considered program income, pro-rated to reflect the percentage of IHBG funds used.

9.9.5. Expenditure of Program and non-Program Income

According to IHBG requirements, program income is to be used for program costs prior to drawing down grant funds. Uses of non-Program Income generated from the sale of assets are restricted to housing activities, community facilities and economic development activities.

9.9.6. Disposition of Personal Property Purchased with IHBG Funds

This section only applies to the disposition of personal property. The disposition and/or conveyance of real property (homes and other real

estate) shall be processed according to the terms of the of the Agreement between the Tribes and the Homebuyer.

Personal property purchased with IHBG funds shall not be sold or exchanged for less than its fair value. Personal property with a value of \$10,000 or more, which is not donated to a non-profit agency (see below), shall be sold at public sale. Sales of excess personal property shall be made in the following manner:

- a. Less than \$10,000: if the estimated sales value of the personal property offered for sale is less than \$10,000, the Housing Manager may negotiate a sale in the open market after such informal inquiry as he considers necessary to ensure a fair return to the Tribes. The sale shall be documented by an appropriate bill of sale.
- b. \$10,000 to \$100,000: for sales of \$10,000 to \$100,000, the Housing Manager shall solicit informal bids orally, by telephone, or in writing from all known prospective purchasers and a tabulation of all such bids received shall be prepared and retained as part of the permanent record. The sale shall be approved by the Board of Directors and documented by an appropriate bill of sale.
- c. \$100,000 or Greater: sales of \$100,000 or more and the award of such contract shall be made only after advertising for formal bids. Such advertising shall be at least 15 days prior to award of the sales contract and shall be by advertisement in newspapers or circular letters to all prospective purchasers. In addition, notices shall be posted in public places. Bids shall be opened publicly at the time and place specified in the advertisement. A tabulation of all bids received shall be prepared and filed with the contract as a part of the permanent record. After securing approval from the Board of Directors, the award shall be made to the highest bidder as to price.
- d. Sale to a Public Body: the sale of personal property to a public body for public use may be negotiated at no more than its fair value. The transfer shall be documented by an appropriate bill of sale.
- e. Destruction, Abandonment or Donation: the Housing Manager shall make every effort to dispose of excess personal property as outlined above. However, if the property has no scrap or salvage value and a purchaser cannot be found, a statement shall be prepared by the Housing Manager listing the prospective bidders solicited and all other efforts made to sell the property, together with recommendations as to the manner of disposition, and submitted to the General Manager for approval. A copy of the complete documentation in support of the destruction, abandonment, or donation, shall be retained as a part of the permanent records.

9.10. Grant Expenditure Review

The Housing Manager or designee shall review all purchase requests for compliance with the IHBG regulations to ensure that grant funds are expended only for allowable activities as defined in the NAHASDA statute and for allowable costs as defined in OMB Circular A-87. Expenditures shall be reviewed through the analysis of monthly financial reports.

10. Home Repair Program *(revised 01/05/07)*

10.1. Policy Statement

- a. The Board of Directors of the Tulalip Tribes recognizes the need to establish policies regarding the rehabilitation of privately-owned homes that belong to tribal members who are unable to obtain assistance from other agencies. The Tulalip Tribes Housing Department (TTHD) will provide assistance, contingent upon approved funding, for the rehabilitation of privately-owned homes that are owned and occupied by enrolled members of the Tulalip Tribes.
- b. Individuals and families who apply for assistance funded by the Tulalip Tribes using Indian Housing Block Grant funds will be required to meet eligibility standards established by the Tulalip Tribes along with other agencies or financial institutions that may be partners in these programs.

10.2. General Information

- a. The TTHD will provide assistance to pay for rehabilitation expenses, building permits and local licensing requirements for privately-owned homes located on the Tulalip Reservation. Eligible low-income families may receive a loan up to \$20,000 for the rehabilitation of their home.
- b. Participation in the Home Repair Program is limited to low-income families as defined by the Tulalip Tribes. Participants will be required to provide documentation to verify the determination of low-income status.
- c. The Housing Manager or other designated employee of the TTHD shall review and approve each Home Repair Program application. Eligible low-income families must make their request for a Home Repair loan on an application form developed by the TTHD.
- d. This assistance is a Loan, which may be partially or totally forgivable depending on the income and age of the tribal member. The funds are paid directly to the vendor, contractor or appropriate agency. The payment is only made after the TTHD has approved the application and the family has received a letter of approval from TTHD.

10.3. Approval Process

The TTHD will require the applicant to submit the following documents:

- A written request to use the rehabilitation funds for betterment,

replacement or additions to the unit.

- Proof of ownership of the structure to be rehabilitated.

The TTHD shall determine who has approval or denial authority subject to the availability of funds.

10.4. Allowable Uses

Allowable uses shall be prioritized on the inspection and funds shall be made available, in accordance with this TTHD prioritization schedule:

- a. Rehabilitation of home to make accessible to persons with disabilities including bathroom(s), doorways and entrance ramps;
- b. Rehabilitation of home to alleviate a hazard to the life, health, safety or overcrowding of the occupants, such as electrical problems, heating systems, toilets, hot water tanks, appliances and construction of additional bedrooms;
- c. Rehabilitation of home to alleviate further deterioration of the home, such as roofs, foundations, siding and plumbing;
- d. Weatherization items, such as insulation, windows and exterior doors;
- e. Other improvements such as installation of carpet, cabinets, interior doors, lighting and plumbing fixtures, electrical, wood stoves, fencing, or other items as approved by the TTHD.

10.5. Unallowable Uses

Rehabilitation funds shall not be used for luxury items as determined by the TTHD such as hot tub, spas, swimming pools, electronic equipment, or household furniture.

10.6. Payment for materials, construction costs and/or contractor services.

- a. The TTHD will make direct payment to the party performing the work or to the vendor where the purchase for material was made using the TTHD Purchase Order System. At no time will payments be made directly to the homebuyer for any material or contractor invoices.
- b. For the construction of additions or major improvements, payments shall be processed in accordance with the adopted Procurement Policy and/or contract documents.

10.7. Inspections.

- a. For construction of additions or structural changes, the TTHD will conduct an interim inspection, and upon completion of the project, a final inspection will be performed with the homeowner. A certification of completion will be signed by the homeowner along with the TTHD and the contractor prior to final payment being issued.
- b. All completed rehabilitation work must be inspected to assure that work

completed meets any Housing Quality Standards established by the TTHD, if applicable.

- c. All homes must be inspected prior to being rehabilitated to assure that the proper level of environmental review has been conducted in accordance with the National Environmental Policy Act (NEPA) and any other applicable statutes, regulations and Executive Orders..
- d. All homes must have been inspected for the existence of any lead based paint prior to being rehabilitated in accordance with HUD regulations entitled Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazard in Federally Owned Residential Property and Housing Receiving Federal Assistance contained in 24CFR35.

10.8. Eligibility Requirements

An individual or family must be a low-income family as defined by the TTHD, and must reside within the service area as defined in the TTHD's Indian Housing Plan.

10.9. Loan Amortization

All loans shall be amortized over a ten-year period. During this amortization period, if the owner sells or transfers title to the home, the owner must repay the TTHD any balance due.

10.10. Other Requirements

10.10.1. Insurance

- a. The TTHD shall require the family to provide adequate insurance either by purchasing insurance or by indemnification against casualty loss by providing insurance in adequate amounts to indemnify the TTHD against loss from fire, weather, and liability claims for all housing units assisted by loans to families for privately owned housing.
- b. The TTHD shall require contractors and subcontractors to either provide insurance covering their activities or negotiate adequate indemnification coverage to be provided by the recipient in the contract.

10.10.2. Warranty Work

- a. The homebuyer/homeowner shall be responsible for having warranty work performed on any manufactured appliances or materials used in the rehabilitation of their home.
- b. The TTHD may establish warranty periods (for example, 1 year) on workmanship and products used in rehabilitation activities.

10.10.3. Counseling Requirements

The TTHD may require the participants in any rehabilitation program to participant in counseling programs sponsored and paid for by the

TTHD.

10.10.4. Agreement

All eligible applicants selected to participate in the TTHD's rehabilitation program shall sign a Repair Program Agreement with the TTHD.

11. Definitions *(amended 09/08/06 Directive 28)*

Adjusted Income. The annual income that remains after excluding the following amounts:

1. YOUTHS, STUDENTS AND PERSONS WITH DISABILITIES - \$480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household):
 - a who is under 18 years of age; or
 - b who is:
 - (1) 18 years of age or older; and
 - (2) a person with disabilities or a full-time student.
2. ELDERLY AND DISABLED FAMILIES - \$400 for an elderly or disabled family.
3. MEDICAL AND ATTENDANT EXPENSES - The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of:
 1. medical expenses, in the case of an elderly or disabled family; and
 2. reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.
4. CHILD CARE EXPENSES - Childcare expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.
5. EARNED INCOME OF MINORS - The amount of any earned income of any member of the family who is less than 18 years of age.
6. TRAVEL EXPENSES - Excessive travel expenses, not to exceed \$25 per family per week, for employment- or education-related travel.
7. OTHER AMOUNTS - Such amounts as may be provided in the Indian housing plan for an Indian tribe.

Administration Charge. The amount budgeted per-unit per-month for operating expense, exclusive of the cost of HUD-approved expenditures for which operating

subsidy is being provided.

Affordable Housing. The term 'affordable housing' means housing that complies with the requirements for affordable housing under Title II of NAHASDA. The term includes permanent housing for homeless persons who are persons with disabilities, transitional housing, and single room occupancy housing.

Affordable Housing Activities. Activities in accordance with Section 202 of NAHASDA, to develop or to support affordable housing for rental or homeownership, or to provide housing services with respect to affordable housing, through the following activities:

1. INDIAN HOUSING ASSISTANCE - The provision of modernization or operating assistance for housing previously developed or operated pursuant to a contract between the Secretary and an Indian Housing Authority.
2. DEVELOPMENT - The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development of utilities and utility services, conversion, demolition, financing, administration and planning, and other related activities.
3. HOUSING SERVICES - The provision of housing-related services for affordable housing, such as housing counseling in connection with rental or homeownership assistance, establishment and support of resident organizations and resident management corporations, energy auditing, activities related to the provision of self-sufficiency and other services, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in other housing activities assisted pursuant to this Section.
4. HOUSING MANAGEMENT SERVICES - The provision of management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of: affordable housing projects.
5. CRIME PREVENTION AND SAFETY ACTIVITIES - The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.
6. MODEL ACTIVITIES - Housing activities under model program that are designed to carry out the purposes of this Act and are specifically approved by the Secretary as appropriate for such purpose.

Anniversary Date of Lease. Day of the year on which the Lease was initially executed.

Annual Income. Annual Income has one of the following meanings, as determined by the Indian tribe:

1. "Annual Income" as defined for HUD's Section 8 programs in 24 CFR part 5, subpart F, (except when determining the income of a homebuyer for an

- owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family assets); or
2. Annual Income as reported under the Census long-form for the most recent available decennial Census. This definition includes:
 - a) Wages, salaries, tips, commissions, etc.
 - b) Self-employment income;
 - c) Farm self-employment income;
 - d) Interest, dividends, net rental income, or income from estates or trusts;
 - e) Social security or railroad retirement;
 - f) Supplemental security income, Aid to Families with Dependent Children; or other public assistance or public welfare programs;
 - g) Retirement, survivor, or disability pensions;
 - h) Any other source of income received regularly, including Veterans (VA) payments, unemployment compensation, and alimony; or
 3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal income tax purposes.

Assistant Secretary. The Assistant Secretary for Public and Indian Housing.

Child. A member of the family, other than the head or spouse, who is under eighteen (18) years of age.

Child Care Expense (see "*Adjusted Income*"). Amounts anticipated to be paid by the Family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a Family member to be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care, and in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of Income received from such employment.

Dependent. (Note: Do not use this definition when calculating rents or payments. See definition of "*Adjusted Income*".) A member of the Family household (excluding foster children), other than the Head of Family or Spouse, who is under 18 years of age or is a Disabled or Handicapped Person, or is a Full-Time Student.

Designated for the Elderly or Handicapped. Any development, including any building within a mixed-use development, that was designated for occupancy by the elderly or handicapped at its inception, or, although not so designated, for which the Tribes gives preference in tenant selection for all units in the development, or for a building in a mixed-use development, to elderly or handicapped families.

Disabled Family. A family whose Head or Spouse is disabled or handicapped, as evidenced by the person's eligibility for SSI and/or Tribal disability payments. To qualify as a Disabled Family, the qualifying person must provide a copy of an award letter from the Social Security Administration or Tulalip Tribes demonstrating that the family is

eligible to receive disability payments. *(revised 01/5/07)*

Drug-related Criminal Activity. The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell, distribute or use, of a controlled substance (as such term is defined in Section 102 of the Controlled Substances Act).

Dwelling Unit. A Unit, as defined.

Elderly Families and Near-Elderly Families. A family whose head (or his or her spouse), or whose sole member, is an elderly person or a near-elderly person, respectively. Such terms include two or more elderly persons or near-elderly persons living together, and one or more such persons living with one or more persons determined by the Tribes to be essential to their care or well-being.

Elderly Person. A person who is at least 62 years of age.

Family. A family with or without children, an Elderly Family, a Near-elderly Family, a Disabled Family, a Single Person, as determined by the Tribes.

Grant Beneficiary. The Indian tribe or tribes on behalf of which a grant is made under NAHASDA to a recipient.

Handicapped Assistance Expenses. Reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a Handicapped or Disabled Family member, and that are necessary to enable a Family member (including Handicapped and Disabled members) to be employed; provided that, the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

Head of household. That adult member of the Family who is actually looked to, and held accountable for, the Family's needs.

Homebuyer. The member or members of a low-income family who have executed a homebuyer (lease with an option to purchase) agreement with the Tribes and who have not yet achieved Homeownership.

Homebuyer agreement. A Mutual Help and Occupancy Agreement (MHOA).

Homebuyer payment. The payment of a family purchasing a home pursuant to a lease purchase agreement.

Homeless family. A family who is without safe, sanitary and affordable housing even though it may have temporary shelter provided by the community; or a family who is homeless as determined by the Tribes.

Homeowner. A former homebuyer who has achieved ownership of his or her home and acquired title to the home.

HUD. The U. S. Department of Housing and Urban Development.

IHBG. Indian Housing Block Grant.

Income. Annual Income, as defined.

IHP. Indian Housing Plan, as defined in Section 102 of NAHASDA.

Income Limits. HUD established Low and Very Low Income Limits that are used to determine if assisted housing program applicants qualify for admission to the programs, and are based on HUD estimates for area median family income.

Indian. Any person who is a member of an Indian tribe, as defined.

Indian Area. The area within which an Indian tribe operates affordable housing programs. Whenever the term 'jurisdiction' is used in NAHASDA it shall mean 'Indian Area' except where specific reference is made to the jurisdiction of a court.

Indian Tribe.

1. IN GENERAL - A tribe that is a federally recognized tribe or a State-recognized tribe.
2. FEDERALLY RECOGNIZED TRIBE - Any Indian tribe, band nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

Live-In-Aide. A person who resides with an Elderly, Disabled or Handicapped Person (or Persons) and who (a) is determined by the Tribes to be essential to the care and well-being of the person; (b) is not obligated for support of the person; and (c) would not be living in the unit except to provide necessary supportive services.

Low-Income Family. A Family whose Annual Income does not exceed eighty percent (80%) of the median income for the area as determined by HUD, with adjustments for smaller and larger families.

Median Income. With respect to an area that is an Indian area, the greater of:

1. The median income for the counties, previous counties, or their equivalent in which the Indian area is located, or
2. The median income for the United States.

Medical Expenses* (see definition of "Adjusted Income"). Those out-of-pocket medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance.

MH Contribution. Land, labor, cash, materials, or equipment, or a combination of these, contributed toward the development cost of a project in accordance with a homebuyer's MHO Agreement, credit for which is to be used toward the purchase price.

Monthly Adjusted Income. One-twelfth (1/12) of the Adjusted Income.

Monthly Equity Payments Account (MEPA). A homebuyer account credited with the amount by which required each required monthly payment exceeds the administration charge.

Monthly Income. One-twelfth (1/12) of the Annual Income.

NAHASDA. The Native American Housing Assistance and Self-Determination Act of 1966 (25 U.S.C. 4101 et seq.).

Near Elderly Person. A person who is at least 55 years of age and less than 62 years of age.

1937 Act. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

Non-Elderly Family. A family whose Head of Family and/or spouse is less than 62 years of age and neither Handicapped nor Disabled.

Office of Native American Programs (ONAP). The office of HUD that has been delegated authority to administer programs under *24 CFR § 1000*.

Occupancy Standards. Standards established by the Tribes governing the allowable size of Family occupying a particular size of Dwelling Unit.

Overcrowded Unit. A Unit occupied by more than the number of persons permitted by the Tribes's Occupancy Standards.

1.

Preference. A means of ensuring that housing assistance is directed to those with certain housing needs by providing housing or assistance to applicants in certain categories prior to others on the waiting list who applied earlier.

Public Assistance. Welfare or similar payments to families that are made under programs funded by Federal, State and/or Local Governments.

Recipient. An Indian tribe or the entity for one or more Indian tribes that is authorized to receive grant amounts under NAHASDA on behalf of the tribe or tribes.

Secretary. The Secretary of the Department of Housing and Urban Development.

Single Person. A person living alone, or intending to live alone, who does not qualify as an Elderly Family, a *Near-Elderly Family*, a Displaced Person, or as the remaining member of a tenant Family.

Single Pregnant Woman. A single person with no children, who is pregnant as verified by a licensed physician, is considered a two-person family instead of a single person for purposes of waiting list priority and in determining number of bedrooms. However, until the child is born, no deduction is given for a dependent.

Spouse. A member of the Family household who is not a Dependent but who is either the husband or wife of the Head of Family or has established a stable Family relationship with the Head of Family.

Stable Family Relationship. A Family relationship established by evidence that two (2) or more persons have shared residency, income and resources for a period of not less than one (1) year.

Student. A person who is enrolled in a certified educational institution, such as a vocational school with a certificate or diploma program or an institution offering a college degree, and is considered a full-time student under the standards and practices of the institution attended.

Subsequent Homebuyer. Any homebuyer other than the homebuyer who first occupies a home pursuant to a MHO Agreement.

Successor. A person eligible to become a homebuyer who has been designated by a current homebuyer to succeed to an interest under a homeownership agreement upon the Homebuyer vacating the property.

Tenant Rent. Monthly amount the Family must pay to the Tribes for occupancy of the Dwelling Unit. Tenant Rent equals the total Tenant Payment less the Utility Allowance, if any.

Total Development Cost. The sum of all costs for a project including all undertakings necessary for administration, planning, site acquisition, demolition, construction or equipment and financing (including the payment of carrying charges), and for otherwise carrying out the development of the project. The maximum total development cost excludes off-site water and sewer facilities development costs; costs normally paid for by other entities, but included in the development cost budget for the project for contracting or accounting convenience; and any donations received from public or private sources.

Total Tenant Payment. The calculated monthly rent payable by the eligible Family for occupancy of the Dwelling Unit before Utility Allowance, if any.

Unauthorized Non-Family Resident. Occupancy of a Unit who is not a member of the Family, as specified in the Lease, and whose presence in the Unit has not been authorized by the Tribes.

Unit. The residence (apartment, house, etc.) owned and/or managed by the Tribes and rented to an Eligible Family. The size of the Unit is determined by the number of bedrooms and may range from zero (0) bedrooms to four (4) bedrooms.

Utility Allowance. Where the cost of utilities and other housing services for a Dwelling Unit (not including telephone service) is not included in the Tenant Rent but is the responsibility of the Family, an amount equal to the estimate, made and approved by the Tribes, of the monthly cost of a reasonable consumption of such utilities and other services for the Unit by an energy-conservation household of modest circumstances consistent with the requirements for a safe, sanitary and healthful living environment.

Very Low-Income Family. A Family whose Income does not exceed fifty percent (50%) of the median income for the area, as determined by HUD, with adjustments for smaller or larger families.

Veteran. A person who has received an honorable discharge from a branch of the United States military.

Violent Criminal Activity. Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property of another. The Tribes will take into consideration the length of time since the last evidence of such activity, and the record of rehabilitation efforts on behalf of the family member.

Visitor. A person temporarily residing in a Dwelling Unit with a Family for a limited period of time. Persons residing longer than fourteen (14) days, without the prior permission of the Tribes, shall be determined to be Unauthorized Non-Family Residents. The repeated presence of additional persons in the Unit and/or their use of the Unit for purposes such as receiving mail or storing possessions may be cause for the Family's Rental Agreement to be terminated.