SECTION 8 ADMINISTRATIVE PLAN
PROPOSED HOTMA 2026 UPDATES

Burbank Housing Authority (BHA) Proposed Updates

Administrative Plan

- Updated CFRs per HUD Federal Regulations throughout document.

Chapter 1 – Statement of Policies and Objectives

- **Program Goals and Objectives – page 1-3**
  Revised "To provide affordable rental housing that is safe and habitable to existing, very low-income applicants."

- **The Housing Opportunity Through Modernization ACT of 2016 (HOTMA) – page 1-7**
  Revised "This administrative plan has been updated to comply with all HOTMA regulations."

Chapter 2 – Eligibility for Admission

- **Eligibility Factors – page 2-1**
  Revised "To be eligible for participation, an applicant must: 1) meet the income and asset guidelines as an applicant family"

- **Asset Limitations – page 2-3 to 2-4**
  Added "To be eligible for assistance, the applicant family must have net family assets below the HUD determined asset limitation. This Asset limitation is adjusted for inflation annually and can be found in Appendix A.

  Applicant families may also not have present ownership interest in, a legal right to reside in, and effective legal authority to sell a property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence."

- Added a list of Real Property restrictions and exclusions.

Chapter 5 – Income, Assets and Allowances

- **Income – page 5-1**
  Revised "Annual income is defined as the gross amount of income anticipated to be received during the future 12-month period after program admission or an

interim reexamination. For annual recertification, annual income is based on the most recent 12-month period preceding recertification. The amount of annual income is used to determine whether or not applicants are within the applicable income limits, as well as determine appropriate rental portions for program participants. Verification of annual income cannot be more than 60 days old at the time of admission to the Program.

- **Computation of Annual Income – page 5-6**
  Added "New Admissions and Interim Reexaminations: For applicants being admitted into the program and participants undergoing an interim reexamination, the BHA must estimate the income of the family for the upcoming 12-month period."

- **Annual Reexaminations – page 5-7**
  Added "The BHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations. In determining the income of the family for the previous 12-month period, the BHA must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income.
  The BHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

- **Assets -page 5-8 to 5-9**
  Revised the definition of Net Family Assets and provided a list of Net Family asset exclusions.

  Added "The BHA does not enforce the "Asset Limitation" described in Chapter 2 during interim and annual reexamination."

- **Asset Income -page 5-9**
  Added section detailing how the BHA calculates asset income.

- **Change in income -page 5-10**
  Added section detailing how the BHA will be conducting interim reexamination under HOTMA provisions. In summary, an interim reexamination will be conducted when a family's adjusted income decreases by 10 percent or more. An interim reexamination is also required when adjusted income increases by 10 percent or more. Earned-income increases are excluded unless the family previously received an interim reduction during the same cycle. If reported late, tenant portion increases are applied retroactively.

- **Income from additional household members -page 5-12**
  Added "The BHA will apply a 0-percent threshold and conduct interim reexaminations when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides,

regardless of if the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income.

When conducting an interim reexamination for an increase due to the addition or removal of a household member, the BHA will not consider increases in earned income, when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle."

- **Allowances and Deductions -page 5-14**
  Revised" The sum of unreimbursed expenses will be deducted to the extent that the sum of these expenses exceeds ten percent of annual income."

  Added "The dependent and elderly/disabled allowance will be adjusted annually by HUD."

- **Hardship Exemptions -page 5-15 to 5-16**
  Added a section outlining hardship exemptions related to the increased HUD threshold for medical and attendant-care deductions. Families who previously received these deductions will transition through a 24-month phased-in period, with expenses above 5 percent allowed in the first year and above 7.5 percent in the second year before moving to the 10 percent standard. Families may also request general relief if increased or newly incurred medical, attendant-care, or auxiliary apparatus expenses create a financial hardship, in which case eligible expenses exceeding 5 percent of annual income may be deducted with required third-party verification. A separate hardship exemption may continue a child-care deduction when ending it would prevent the family from paying rent and the child-care need remains. All hardship exemptions end after 90 days or when circumstances change, and the BHA will recalculate rent accordingly.

Chapter 6 -Verification Procedures

- **Federal Tax Refund -page 6-6**
  Added "If the family's net assets are greater than the HUD determined threshold, the family's federal tax refund or refundable tax credits must be verified."

- **Asset Verification -page 6-7**
  Added "The BHA will determine net family assets at new admission and annual reexamination by fully verifying the information reported by the family, regardless of the asset amount. The BHA will not accept self-certification of assets."

- **Health Insurance Portability and Accountability Act (HIPAA) Compliance-page 6-9**

Added section regarding BHA's compliance with HIPAA.

Appendix A

- Added HUD document "2026 HUD Inflation-Adjusted Values (Table 1): Effective January 1, 2026"

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