

**This Weekly Newsletter
is brought to you by**

Housing Assistance for the Disabled

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The federal government provides housing assistance for low-income families, the elderly and the disabled. Many people are familiar with the Housing Choice Voucher Program (formerly known as Section 8). This is a tenant-based system where an eligible person applies through his or her local public housing agency for a voucher. In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, a public housing agency must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income. Rent is then determined based on the family's income and assets. If the public housing agency determines that the person is in fact eligible after review of the person and family's income and resources, their name is placed on the local waiting list. Unfortunately, these lists are currently extremely long. In fact, at this time, none of the local public housing authorities (Virginia Beach, Chesapeake, Norfolk and Suffolk) are even accepting applications because the waitlists are full.

However, there are some less well-known assistance programs that are project-based – in other words the voucher remains with the dwelling unit rather than moving with the tenant. Some of these programs have much smaller waiting lists. Some of the project-based housing is limited to the elderly or disabled in this area and may be an appropriate housing choice for those on a limited budget or for families caring for an adult disabled family member.

It should be noted that in determining eligibility for public housing programs, an individual's income and assets are considered (in family situations, all members of the household are included in determining the family's eligibility). If an individual or family has net assets in excess of \$5,000, annual income for purposes of determining eligibility for assisted housing from these assets will be the greater of the actual income or imputed income based on the rate established by HUD (currently 2%) of the asset's value. Thus, if an individual is an income beneficiary of a trust, she would include all the trust's net income in her income for eligibility purposes, but the value of the trust would not be included as an asset if she had no access to principal. Similarly, if an individual has a lifetime power of appointment over the assets of the trust (or the trust is revocable by the individual), the value of the trust will be considered an asset of the individual and the actual income of the trust would be included. Finally, if the individual has no access to income or principal of an irrevocable trust, neither the income nor the value of the trust would be included in income or as an asset from which income could be imputed.

Housing Assistance for the Disabled (cont'd)

In the event that an individual gives away assets for less than fair market value within two years of certification of eligibility, then the cash value of the asset will be included in the individual's assets for two years and thus may result in the imputation of income for that two-year period. According to HUD regulations, assets placed in a non-revocable trust are considered to have been transferred for less than fair market value unless the assets were placed in trust as the result of a judgment or settlement.

For disabled individuals who are beneficiaries of a special needs trust to which they have no right to income or principal, the rules imputing income to them would not apply unless the special needs trust was self-settled. Even then, if the assets were placed in the special needs trust as the result of a judgment or settlement, no income would be imputed to the beneficiary.

These rules highlight the need for long-term planning for the disabled. By creating special needs trusts, we can secure eligibility for public housing in a vehicle that will not result in the imputation of income to the beneficiary that may disqualify him/her for such housing or make it impossible to pay his or her share of the rent. In addition, proper planning in a relative's testamentary documents can also avoid this issue. Making transfers for the benefit of a disabled adult child should be made more than two years before application is made for the assistance for parents who foresee the need to live with their disabled child in an assisted housing situation.



Animal Friendships

Hook Law Center: Kit Kat, what can you tell us about animal friendships?

Kit Kat: Well, actually there is a lot to tell. Unusual animal pairings are now beginning to be the subject of scientific investigation. There is some disagreement as to how intentional these interactions are, but many scientists do believe there is much cross-species interaction that is real and meaningful to the animals involved.

Let's look at the example supplied by Dr. Barbara Smuts of the University of Michigan. Her dog, Safi, an 80-pound German Shepherd, shared a friendship with a donkey named Wister. Wister lived in Wyoming in the 1990s. At first, Wister was resistant to Safi. But with repeated, small introductions, the two became great companions. Eventually, Wister would come near the house in the morning and bray until Safi was let out. Then, they would frolic and wander together for hours.

Another example, has occurred at the San Diego Zoo and Safari Park. Since 1981, trainers there have been placing cheetahs and dogs together at an early age. The dogs have a calming effect on the cheetahs. Dogs, the experts say, have insight into behavior which has evolved over centuries of contact with humans. Donna J. Haraway, a professor at the University of California, Santa Cruz, says they are like 'social psychologists.' One

dog enticed a cheetah to play by faking a limp, as if he were a wounded gazelle. You know the friendship is cemented when the cheetah starts grooming or licking the dog. The dogs in this program are selected as puppies and must have an even temperament--not too dominant and not too submissive.

There are some skeptics, however. Dr. Clive Wynne of Arizona State University says that many of the videos you see on mixed animal pairings occur 'in a human-controlled environment.' The field is in its infancy, but expect more study into this fascinating subject.

(Erica Goode, "Learning from Animal Friendships," The New York Times, 1/27/2015)

Upcoming Events

- **February 23, 2015** - Andrew H. Hook and Shannon Laymon-Pecoraro will be speaking on the ABLE Act to a local financial advisor firm.
- **February 24 and 27, 2015** – Hook Law Center is announcing the HLC Monthly Seminar Series beginning this month with **Tax Return Tips for Seniors and Their Families**. The seminar is scheduled at 10 a.m. on Tuesday, February 24, 2015 in HLC's Harbour View office, 5806 Harbour View Blvd, Suffolk, VA OR Friday, February 27, 2015 in HLC's Virginia Beach office, 295 Bendix Road, Virginia Beach, VA. Space is limited!!! To reserve your seat, please call 757-399-7506 and ask for Debbie.



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