**§ 156. Selection of tenants.** Subject to the terms of any loan or subsidy contract with a government, an authority shall have the power to select tenants for its projects. It shall observe the following standards with respect thereto:

1. The dwellings in the project shall be available solely a. for persons or families of low income whose probable aggregate annual income during the period of occupancy does not exceed six times the rental (including the value or cost to them of heat, light, water and cooking fuel) of the dwellings to be furnished such persons or families, except that in the case of persons or families with four or more dependents, such ratio shall not exceed seven to one; in calculating annual income, social security payments and income received from pension funds by any person sixty-two years of age or more shall be excluded up to a total maximum amount of seventy-five dollars per month;

b. also for persons or surviving spouses of persons who

(1) have served in the armed forces of the United States for a period of at least six months (or any shorter period which terminated due to death or injury incurred in such service), provided some portion of the period of service was between the first of November, nineteen hundred fifty-five to the seventh day of May, nineteen hundred seventy-five, and

(2) (i) have been thereafter discharged or released therefrom under conditions other than dishonorable, or (ii) have a qualifying condition, as defined in section one of the veterans' services law, and have received a discharge other than bad conduct or dishonorable from such service, or (iii) are discharged LGBT veterans, as defined in section one of the veterans' services law, and have received a discharge other than bad conduct or dishonorable from such service, or (iv) died in such service, not more than five years prior to the time of application for admission to such project, and

(3) whose probable aggregate annual income during the period of occupancy does not exceed seven times the rental (including the value or cost to them of heat, light, water and cooking fuel) of the dwellings to be furnished such persons or families, except that in the case of persons or families with four or more dependents, such ratio shall not exceed eight to one.

The "probable aggregate annual income" means the annual income of the chief wage earner of the family plus all other income of other members of the family over the age of twenty-one years, plus a proportion of the income of members under the age of twenty-one years to be determined by the authority solely for the purpose of establishing rent to be paid except that the authority may exclude a proportion of the income of other members of the family over the age of twenty-one years for the purpose of determining eligibility for admission or continued occupancy, or for establishing rental of such family, or for all such purposes, subject to approval by the commissioner with respect to state projects.

2. The authority may rent or lease to a person or family a dwelling unit, or to a duly authorized agency, as defined in section three hundred seventy-one of the social services law, for the operation of agency boarding homes or group homes or to a non-profit corporation organized under the membership corporations law or to any public agency as defined in section four hundred sixty-one of the general municipal law which provides residences and social services to dependent aged persons or to a social services official for any purpose authorized under the social services law and for which the social services official has authority to rent or lease dwelling units, one or more dwelling units, consisting of a room or number of rooms, but no greater number than it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding.

3. In the event that the income of the family residing in a project increases and the ratio to the rental of the dwelling becomes greater than prescribed by law at the time of their admission or in subdivision one of this section, whichever is greater, and the income is not more than fifty per centum above the family income so prescribed for admission to the dwelling and such increased income continues for a period of three months or more, the authority may permit the tenant to continue to occupy his dwelling provided the authority is convinced that the tenant cannot secure safe and sanitary dwelling from private enterprise or by reason of other facts the removal of the family from the project would occasion other undue hardship to the family. However,

the rent of such family shall be increased in proportion to its ability to pay more, the amount of increase to be ruled upon and prescribed by the authority for such cases.

4. In the event that the ratio of the income of the family to the rental of the dwelling becomes greater than that prescribed by law at the time of their admission or in subdivision one of this section, whichever is greater, and is more than fifty per centum above the family income so prescribed for admission to the dwelling and continues for a period of three months, the authority shall require such family to remove from the dwelling and may take such steps, including summary proceedings, as are necessary to effect the removal of the family. A three months' period shall be given the family to find new accommodations. Pending removal from the dwelling, the rent of such family shall be increased in proportion to its ability to pay more, the amount of increase to be ruled upon and prescribed by the authority for such cases.

5. Notwithstanding the foregoing provisions of this section, an authority may establish income limits for continued occupancy for any project aided by periodic cash subsidies, exceeding the limits otherwise authorized under this section but not in excess of the highest income limits approved by the commissioner for any state project in the municipality. The provisions of this subdivision are intended solely for the purpose of determining eligibility and not for the purpose of determining rent to be paid.

6. Notwithstanding any provisions to the contrary contained in this chapter, if an authority determines that any person or family of low income residing in any project of the authority whose income exceeds the limits for continued occupancy is unable to find decent, safe and sanitary housing within its financial reach within the community although making every reasonable effort to do so or because of special circumstance the removal of such person or family would occasion undue hardship such person or family may be permitted to remain in occupancy for the duration of such a situation. The rent of such person or family shall be increased in accordance with its ability to pay, the amount of

such increase to be prescribed by the authority.

7. A municipal housing authority created and established for a city of one hundred thousand or more shall grant a preference in the selection of tenants to members of a police force of such city provided that such members otherwise qualify for occupancy in its projects and provided, further, that such city has adopted a local law authorizing such preference.