

HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT
REQUEST FOR BOARD ACTION

Revisions to the Admissions and Continued Occupancy Policies

May 18, 2023

INTRODUCTION

The Housing Opportunities Through Modernization Act of 2016 (HOTMA) establishes an income limitation for continued occupancy in public housing. The statute requires that after a family's income has exceeded the over-income limit for two consecutive years, a PHA must either terminate the family's tenancy within six months or charge the family the alternative non-public housing rent. HABD instituted a policy to adjust the rent of over income families starting in 2021, and recent Federal Register and PIH Notices provided additional guidance for PHAs to implement the requirement.

PURPOSE/OBJECTIVE

The purpose of this Request for Board Action is to obtain Board approval to revise the public housing Admissions and Continued Occupancy Policies related to Over-Income Families. HUD requires PHAs to fully implement the requirements by June 14, 2023.

DESCRIPTION/JUSTIFICATION

Public housing is a resource to provide affordable housing to low-income families. Thus, the Federal government has determined that it is in the public interest to ensure all public housing units are occupied by households that do not have an income in excess of the over-income limit. The over-income limit is the income limit for a very low-income (VLI) family multiplied by 2.4. As an example, the current income limit for a VLI family is \$33,950 (family of two). The over-income limit for a two-person household would therefore be \$81,480.

Families that are determined to exceed the over-income limit have 24 months before HABD will take any action. The alternative rent is the higher of the Fair Market Rent or the per unit month subsidy¹.

¹ The per unit month subsidy, or PUM, is the combined monthly amount of operating subsidy and Capital Fund grant provided to the property, per unit.

HABD has the option of either allowing the family to stay in the unit or terminating the family's lease. At this time, HABD has determined it will allow families to continue to reside in the unit and pay the alternative rent. Currently, 48 households have incomes that exceed the over-income limit. Those families will be notified in person and case managed to explore their options for both housing and supportive services to continue economic growth and graduate from public housing.

This ACOP revision largely continues the policy in effect, and thus no additional public hearing is required. However, the current public housing lease will have to be modified and a non-public housing over income lease will have to be created. Both of those documents will be presented to the Board of Commissioners for approval, and HABD will provide at least 30 days notice to tenants and the CPAB to provide an opportunity for the submission of written comments.

Additional revisions bring ancillary policy into compliance with the new regulations.

POLICY IMPACT

This action is consistent with HUD regulations and ensures continued compliance.

ECONOMIC IMPACT/FUNDING SOURCE

This policy will have a negligible economic impact as a small minority of families (approximately 1%) will be impacted by this policy.

ATTACHMENTS

The proposed revisions are attached to this request.

ALTERNATIVES

As stated in this request, HABD determined to allow over-income families to remain in the unit and pay an alternative rent. HABD does have the option to terminate the tenancy of over-income families in accordance with HUD regulation.

DRAFT RESOLUTION

RESOLVED by the Board of Commissioners of the Housing Authority of the Birmingham District that the Chairman is authorized to execute required documents for the approval of the implementation of the revision of the Public Housing Admissions and Continued Occupancy Policies.

RESOLVED FURTHER that the President/CEO is authorized to implement the revision of the Public Housing Admissions and Continued Occupancy Policies effective immediately.

CERTIFICATION

The requested action is in conformance with all legal policy, regulatory requirements, and existing procurement practices and policies.

SETH EMBRY
Chief of Policy and Government Affairs

DONTRELLE YOUNG FOSTER
PRESIDENT/CEO