TERMINATION OF TENANCY OF FAMILIES EXCEEDING 120% OF AMI

Purpose

In order to promote its stated mission to provide safe, decent, sanitary and affordable housing for

assisted families at or below 80% of the median income, HADR will implement regulations at 24 CFR

§960.261 which grants Public Housing Agencies (PHA) the authority to terminate the tenancy of

conventional public housing families that are over-the eligible income limit and thereby make units

available for applicants who are income-eligible.

Background

HOTMA was signed into law on July 29, 2016 (Pub. L. 114–201, 130 Stat. 782). Section 103 of HOTMA amends section 16(a) of the United States Housing Act of 1937 (42 U.S.C. 1437n(a)) (1937 Act) to place an income limitation on a public housing tenancy for families. The law requires that after a family’s income has exceeded 120 percent of the area median income (AMI) (or a different limitation established by the Secretary) for two consecutive years, a public housing agency (PHA) must terminate the family’s tenancy within 6 months of the second income determination or charge the family a monthly rent equal to the greater of (1) the applicable Fair Market Rent (FMR); or (2) the amount of monthly subsidy for the unit including amounts from the operating and capital fund, as determined by regulations. For purposes of this notice, the income limit established by HOTMA will be referred to as the ‘‘over-income limit’’. A PHA must notify a family of the potential changes to monthly rent after one year of the family’s income exceeding the over-income limit. Pursuant to section 3(a)(5) of the 1937 Act, the over-income limit does not apply to PHAs operating fewer than 250 public housing units that are renting to families with income exceeding the over-income limit, if the PHAs are renting to those families because there are no income-eligible families on the PHA’s waiting list.

References

24 CFR 960.503; ACOP Section 19;

**DEFINITIONS**

HADR – Housing Authority of Dry Ridge

ACOP – Admissions and Continued Occupancy Policy. Applies to Public Housing programs

AMI – Area Median Income. Established and updated annually by HUD

FSS – Family Self Sufficiency.

Over-income - Family income exceeding 80% of the Area Median Income

OVER-INCOME POLICY

1. In accordance with Section 19 of the ACOP, family composition, compliance with the community service self-sufficiency requirement, and other criteria related to continued occupancy will be redetermined annually for families in the public housing conventional program. Eligibility status and adjusted income will be re-determined in accordance with existing rules and regulations.

2. Families whose adjusted annual income exceeds 120% of AMI (after appropriate exclusions and deductions as allowed by federal regulations) for the most recent two consecutive years will be notified that they are no longer eligible for Public Housing Conventional Program housing assistance based on over-income status and that tenancy will be terminated. A 30-day Notice of Lease Termination will be provided to these families. In cases where a family does not vacate the housing unit within the time period stated in the 30-day notice, judicial eviction proceedings will be brought against the family.

3. The following over-income families will not be terminated:

a. families that have a valid contract for participation in an FSS program;

b. families that currently receive earned income disallowance;

4. HADR will not be responsible for payment of any moving or other expense incurred by the family as a result of the enforcement of this policy.

5. Families whose lease agreements are terminated under this policy will be advised of their rights under HADR’s Grievance Procedure and in accordance with 24 CFR 966.50 through 966.