

NOTICE OF PUBLIC HEARING

The Board of Commissioners of the Housing Authority of the City of Charlotte, North Carolina will conduct a public hearing.

PURPOSE: To receive comments on the Authority's Housing Occupancy Plan Appendix N: Rent Reform

DATE: September 21, 2010

TIME: 5:00 pm

LOCATION: Seigle Point Apartment Homes
110 Winding Path Way, Charlotte, NC 28204

Any persons that would like to speak for three minutes during this Public Hearing should contact Gwenarda Isley at 704-432-5557.

A copy of the Housing Occupancy Plan- Appendix N: Rent Reform is available at the CHA Administrative Offices located at 1301 South Boulevard, 2600 Youngblood Street, and 135 Scaleybark Road; all CHA managed sites, the Main Public Library, and Old City Hall.

If you require special accommodations for viewing the plan and amendment or attending the meeting, please contact Gwenarda Isley.

Proposed HOP Revisions		Proposed Revision
Currently in the HOP/Plan		
Rent Portion set aside as an incentive account deposit monthly amount begins at \$10 and reaches a maximum at \$50		Due to notification from HUD this spring, that CHA could treat our rent reform/incentive account for accounting purposes as an FSS escrow account, changing the cost neutrality point, the committee recommends increasing the monthly incentive account deposits to begin at \$25 and max out at \$100.
The threshold to stop incentive account deposits is at 50% AMI or 3 years after reaching 40% AMI		Threshold will increase to 70% AMI or 3 years after reaching 40% AMI thus giving the residents additional opportunity to grow within the 3 years and continue earning incentive account deposits.
The grace period to move after stopping escrow without loss of escrow was three years in the plan2 in the HOP		In order to continue families moving forward, the committee recommends the grace period be shortened to 12 months after stopping escrow. This will still allow 4 years (3 years while making incentive deposits after reaching the 40% AMI mark and 1 additional year) for a participant to gain stability prior to moving. The goal is to allow families enough time to locate a place and move without disrupting the school schedules, but still encouraging continued movement forward.
** Additional grammatical and clarifying changes were also included in the proposed HOP Revision		
Additional updates needed to the MW Annual Plan		
Currently in the Plan		Proposed Revision
Rent to be calculated at 30% of band midpoint		Impact Analysis showed that rent should be calculated at 30% of the low end of the band to minimize impact on the residents and maintain cost neutrality
Minimum rent scheduled to increase to \$75 Sept 1, 2010 and \$100 April 2011		Minimum rent will increase to \$75 in fiscal year 2010-11 and \$100 in fiscal year 11-12, but no sooner than 12 months after prior increase.
The following two hardship qualifying criteria were removed: Where the Head of Household is Disabled as defined in the Hardship policy. Where the Head of Household is Elderly as defined in the Hardship policy.		
The two criteria were deleted. The intent was to allow elderly and disabled residents whose rent became burdensome due to the rent reform to have the ability to request a hardship. These were replaced with "if rent is increased by \$62 or more (which is the difference between the bands) you can declare a hardship".		

**APPENDIX N:
RENT REFORM POLICY**

Recertifications

CHA has modified the formula for calculating families' total tenant payment to provide a financial incentive for participants to increase their earnings. Elderly and disabled household participation will be voluntary.

Interim Recertifications (~~currently approved in HOP~~)

Participants will still be afforded interim rent recertification between annual recertifications providing they have met the established criteria. If there is a decrease in the family's income, or an increase in medical expense or childcare expense (and will change their flat deduction eligibility) which is expected to last longer than ~~sixty (60) days~~ forty-five (45) days, the participant may request that an interim recertification be performed. Participants must still report changes in family size. Participants still need permission to add a household member.

Annualized Income (~~currently approved in HOP~~)

Income earned by seasonal employment will be annualized if the employee has maintained employment for more than 60 days. The income of employees of temporary employment agencies will be annualized after an initial 30 days of assignments.

Zero Income Recertifications (~~currently approved in HOP~~)

All families claiming zero income will have ~~90 days~~ three (3) months to establish either earned or unearned income. ~~After 90 days~~ At the end of the three (3) month period they will be required to report to the CHA the status of their income; they will continue reporting to the Charlotte Housing Authority every ~~90 days~~ three (3) months until income has been established.

Income Exclusions

Income from assets ~~of with a combined value of less than \$5,000 or less~~ will be excluded allowing the accumulation of more assets before they are included in income. The annual recertification will include self-certification for ~~assets-household with combined assets~~ assets below \$5,000, or third-party verification for assets over \$5,000. The use of a self-certification will reduce staff time when completing recertifications.

Expense Adjustments

Traditional Medical, Disability and Childcare deductions are eliminated. Participants need only verify enough unreimbursed expense to meet the requested deduction level listed below.

Medical Expenses	Medical Deduction	Childcare Expense	Childcare Deduction
\$0 - \$2,499	\$0	\$0 - \$2,499	\$0
\$2,500 - \$4,999	\$2,500	\$2,500 - \$4,999	\$2,500
\$5,000 - \$7,499	\$5,000	\$5,000 - \$7,499	\$5,000
\$7,500+	\$7,500	\$7,500+	\$7,500

Households will continue to be given the HUD elderly/disabled household and dependent allowances as applicable.

Minimum Rents (currently approved in HOP and MTW annual plan)

"Minimum Rent" is fifty dollars (\$50.00) for fiscal year 2009; seventy-five dollars (\$75.00) in fiscal year 2010; and one hundred dollars (\$100.00) in fiscal year 2011. The minimum rent increases will occur no sooner than 12 months from the prior minimum rent increase.

Revised Rent Schedule

An income-based stepped flat rent with stepped escrow deposits. The income bands will be a \$2500 range with the stepped rent being 30% of the range low end. (ex: 5,000 - \$7,499 annual income band low end is $5,000/12$ (monthly) * 30% = \$125 total tenant payment). Annual adjusted income will be used to establish total tenant payment. Escrow deposits will begin when the household adjusted income including wages reaches \$12,500 and ends when the household adjusted income reaches 50%70% area median income (AMI) or 3 years after reaching 40% AMI whichever comes first. A ceiling flat rent will be established in the public housing communities at or about Fair Market Rents based on geographic location.

Three-Year Incentives Period (approved in previous rent reform / MTW annual plan)

Once a participant's earnings reach 40% AMI, the resident has three years (or until their income reaches 50%70% AMI) in which to build assets based on increased earnings. During this incentives period, residents can build assets in their Incentive Accounts by maintaining or increasing their earnings.

Disbursing Incentive Accounts (approved in previous rent reform / MTW annual plan)

Participants can access their Incentive Accounts for any reason once they leave subsidized housing. While they remain in subsidized housing, however, account access will be limited to amounts needed to help residents overcome specific verifiable barriers to work. An example is for repairs to, or purchase of, a car needed to get to work. Disbursing Incentive Accounts will be done on a case-by-case basis.

End of Program (approved in previous rent reform / MTW annual plan)

Once the three-year Incentives Period is over, participants do not build any additional incentive account. However, they may continue to receive assistance until they are ready to move on. Participants will be encouraged to move when 40% of AMI is attained. If a participant moves within 2 years 12 months of completion they will be entitled to the full account balance; after 2 years 12 months the incentive will begin to diminish as shown in the chart below.

Timeframe for participant to exit program after completion	Percentage of Incentive Account participant is entitled to
<u>Within 3 years 0-12 months</u>	100%
<u>3-4 years 13-24 months</u>	80%
<u>4-5 years 25-36 months</u>	60%
<u>5-6 years 37-48 months</u>	40 %
<u>6-7 years 49-60 months</u>	20%
<u>More than 7 years 61 or more months</u>	0%

Sample Proposed 0 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$670	\$100	\$570
\$30,000	\$750	\$670	\$100	\$570
\$32,500	\$813	\$670	\$100	\$570
\$35,000	\$875	\$670	\$100	\$570
\$37,500	\$938	\$670	\$100	\$570
\$40,000	\$1,000	\$670	\$100	\$570
\$42,500	\$1,063	\$670	\$100	\$570
\$45,000	\$1,125	\$670	\$0	\$670
\$47,500	\$1,188	\$670	\$0	\$670

Minimum Rent is greater than 30% of income

**** 40% AMI

2010 Ceiling Rent is reached

**70% AMI is reached, incentive account deposits end

Sample Proposed 1 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$688	\$100	\$588
\$30,000	\$750	\$726	\$100	\$626
\$32,500	\$813	\$726	\$100	\$626
\$35,000	\$875	\$726	\$100	\$626
\$37,500	\$938	\$726	\$100	\$626
\$40,000	\$1,000	\$726	\$100	\$626
\$42,500	\$1,063	\$726	\$100	\$626
\$45,000	\$1,125	\$726	\$0	\$726
\$47,500	\$1,188	\$726	\$0	\$726

Minimum Rent is greater than 30% of income

**** 40% AMI

2010 Ceiling Rent is reached

**70% AMI is reached, incentive account deposits end

Sample Proposed 2 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$688	\$100	\$588
\$30,000	\$750	\$750	\$100	\$650
\$32,500	\$813	\$806	\$100	\$706
\$35,000	\$875	\$806	\$100	\$706
\$37,500	\$938	\$806	\$100	\$706
\$40,000	\$1,000	\$806	\$100	\$706
\$42,500	\$1,063	\$806	\$100	\$706
\$45,000	\$1,125	\$806	\$0	\$806
\$47,500	\$1,188	\$806	\$0	\$806

Minimum Rent is greater than 30% of income

****40% AMI

2010 Ceiling Rent is reached

**70% AMI is reached, incentive account deposits end

Sample Proposed 3 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$688	\$100	\$588
\$30,000	\$750	\$750	\$100	\$650
\$32,500	\$813	\$813	\$100	\$713
\$35,000	\$875	\$875	\$100	\$775
\$37,500	\$938	\$938	\$100	\$838
\$40,000	\$1,000	\$1,000	\$100	\$900
\$42,500	\$1,063	\$1,016	\$100	\$916
\$45,000	\$1,125	\$1,016	\$0	\$1,016
\$47,500	\$1,188	\$1,016	\$0	\$1,016

Minimum Rent is greater than 30% of income

**** 40% AMI

2010 Ceiling Rent is reached

**70% AMI is reached, incentive account deposits end

Sample Proposed 4 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$688	\$100	\$588
\$30,000	\$750	\$750	\$100	\$650
\$32,500	\$813	\$813	\$100	\$713
\$35,000	\$875	\$875	\$100	\$775
\$37,500	\$938	\$938	\$100	\$838
\$40,000	\$1,000	\$1,000	\$100	\$900
\$42,500	\$1,063	\$1,063	\$100	\$963
\$45,000	\$1,125	\$1,125	\$0	\$1,125
\$47,500	\$1,188	\$1,182	\$0	\$1,182

Minimum Rent is greater than 30% of income

****40% AMI

**70% AMI is reached, incentive account deposits end
 2010 Ceiling Rent is reached

Sample Proposed 5 Bedroom Public Housing Rent Table

Minimum Rent 75

Income Range	30% of low end	TTP	Incentive Account Deposit	CHA portion
\$0	\$0	\$75	\$0	\$75
\$2,500	\$63	\$75	\$0	\$75
\$5,000	\$125	\$125	\$0	\$125
\$7,500	\$188	\$188	\$0	\$188
\$10,000	\$250	\$250	\$0	\$250
\$12,500	\$313	\$313	\$25	\$288
\$15,000	\$375	\$375	\$40	\$335
\$17,500	\$438	\$438	\$55	\$383
\$20,000	\$500	\$500	\$70	\$430
\$22,500	\$563	\$563	\$85	\$478
\$25,000	\$625	\$625	\$100	\$525
\$27,500	\$688	\$688	\$100	\$588
\$30,000	\$750	\$750	\$100	\$650
\$32,500	\$813	\$813	\$100	\$713
\$35,000	\$875	\$875	\$100	\$775
\$37,500	\$938	\$938	\$100	\$838
\$40,000	\$1,000	\$1,000	\$100	\$900
\$42,500	\$1,063	\$1,063	\$100	\$963
\$45,000	\$1,125	\$1,125	\$0	\$1,125
\$47,500	\$1,188	\$1,188	\$0	\$1,188
\$50,000	\$1,250	\$1,250	\$0	\$1,250
\$52,500	\$1,313	\$1,313	\$0	\$1,313
\$55,000	\$1,375	\$1,359	\$0	\$1,359
\$57,500	\$1,438	\$1,359	\$0	\$1,359

Minimum Rent is greater than 30% of income

****40% AMI

**70% AMI is reached, incentive account deposits end

2010 Ceiling Rent is reached