



Statement for Significant Amendment Regarding Over-income NYCHA Households

By Federal Register notice dated July 26, 2018, the U.S. Department of Housing and Urban Development (HUD) issued instructions for implementing the mandatory public housing income limit requirements in the **Housing Opportunity Through Modernization Act (HOTMA)**. These requirements apply only to the public housing program. Housing authorities must implement these HOTMA requirements by **March 24, 2019**.

Housing authorities have the option under HOTMA to either evict households with incomes over a certain limit or allow them to remain in public housing and pay higher rent. NYCHA will allow these households to remain in public housing, paying higher rent according to a HUD formula described below.

Identifying Over-Income Households

NYCHA will track households with incomes that exceed 120 percent of area median income (AMI) through the annual re-certification process and during any interim re-examinations occurring on or after March 24, 2019. Based on current household income data, NYCHA estimates that approximately 1 percent of public housing households will be affected by these mandatory rent increases if their household income remains at current levels over the next two years.

Notification to Over-Income Households

When a household's income first exceeds 120 percent of AMI, NYCHA will send a notice informing the household that NYCHA will increase the rent per HOTMA and HUD regulatory guidelines if income remains at or above this level for two consecutive years. NYCHA will send another notice to the household if the household's income exceeds 120 percent of AMI the next year.

After a household's income has exceeded 120 percent of AMI for two consecutive years, NYCHA will notify the household that it is raising rent. NYCHA is required to charge the higher of the Fair Market Rent (FMR) or the HUD "subsidy amount." HUD has not yet issued regulations announcing what the "subsidy amount" will be.

Timeframe and Rent Adjustments

Over-income NYCHA households will have their rents adjusted under HOTMA starting in 2021.

The third column in the chart below shows the income levels at which public housing households would be considered "over-income" under HOTMA based on family size and 2018 AMI levels.

FAMILY SIZE	FY 2018 50% AMI (VERY LOW INCOME)	CURRENT OVER-INCOME LIMIT FY 2018 120% AMI (50% X 2.4)
1	\$36,550	\$87,720
2	\$41,750	\$100,200
3	\$46,950	\$112,680
4	\$52,150	\$125,160
5	\$56,350	\$135,240
6	\$60,500	\$145,200
7	\$64,700	\$155,280
8	\$68,850	\$165,240

Implementation

NYCHA will modify its Management Manual, as HUD has directed, to reflect HOTMA income limits. The Management Manual will discuss, among other things:

- How NYCHA will document and track households with income exceeding 120 percent of AMI;
- How and when NYCHA will send notice to these households regarding when rents will increase; and
- An explanation that higher rents will be imposed after a household's income has exceeded 120 percent of AMI for two consecutive years.

NYCHA will keep residents informed as HUD issues further guidance on public housing income limits, including what HUD's formula will be for calculating the "subsidy amount."