

Executive Summary

NYCHA's Proposed Amendment to the Annual PHA Plan for FY 2015

Federal law allows a public housing authority to modify or amend its Annual PHA Plan or "Plan." Significant amendments to the Plan are subject to the same requirements as the original plan.

NYCHA's Proposed Amendment to the Annual PHA Plan for FY 2015 is available for public review at NYCHA's Central Office and at each development's management office, as well as on NYCHA's web page (www.nyc.gov/nycha). NYCHA also provided a copy of the Amendment to each public housing Resident Association President.

In March 2015, NYCHA held a total of six town hall meetings in each borough (two meetings in Manhattan) and a public hearing at Murry Bergtraum High School in Manhattan on April 20, 2015. NYCHA accepted written comments on the Proposed Amendment at its post office box and by fax and email through April 25, 2015. Please see the Notice on page 2. NYCHA also met with the Resident Advisory Board ("RAB") members for their comments on the Amendment.

Changes to Flat Rent Requirements – FY 2014 Omnibus Appropriations Act

The 2014 Omnibus Appropriations Act (PL 113-76), which funded federal discretionary programs through September 30, 2014, was passed by Congress and signed into law by President Obama on January 17, 2014. Under Section 210 of the law, all public housing authorities are required to increase public housing flat rents to a minimum of 80 percent of Fair Market Rent (FMR). The law required all public housing authorities to make mandatory adjustments in rent and to come into compliance by June 1, 2014, with the understanding that that no family's rent will be increased by more than 35 percent in any year.

On July 25, 2014, NYCHA submitted a Significant Amendment to its FY 2014 Annual Plan to amend its flat rent policies to comply with the new federal law requirements. [language omitted here] NYCHA requested HUD approval to phase in the flat rent increase over a five-year period for families with incomes less than 80 percent of FMR due to the potential financial burden of the rent increase on affected households. HUD approved a three-year phase-in of flat rent increases starting with the June 1, 2015 annual income reviews.

The Brooke Amendment concerning income-based rents remains in effect even with this change in law. Accordingly, rent will not exceed 30 percent of a household's income because public housing households will still pay the lower of the flat rent or 30 percent of household income.

The following households will NOT be affected by the rent increase:

- 80 percent of NYCHA households (141,000) who already pay 30 percent of their income toward rent will not be affected by the proposed Amendment.
- Flat rent households with incomes between 80 percent and 100 percent AMI were charged 80 percent of the FMR for their flat rents with the 2014 fourth quarter annual income reviews and are in compliance with the 2014 Appropriations Act. These households will not have additional rent increases as a result of the proposed Amendment.

- Flat rent households with incomes greater than 100 percent of AMI currently pay 85 percent of the FMR for their flat rent and are in compliance with the 2014 Appropriations Act. These households will not have additional rent increases as a result of the proposed Amendment.

The following households WILL BE affected by the rent increase:

- There are approximately 14,700 flat rent households in NYCHA public housing, or 8 percent of NYCHA households, with incomes less than 60 percent Area Median Income (AMI) who currently pay less than 30 percent of their income for rent. In order to bring their rents into compliance with the 2014 Appropriations Act, NYCHA will increase their rents over the next three years until they reach 80 percent of FMR or the Brooke Amendment income-based rent, whichever is less.
 - The proposed rent increase of 12 percent will result in an average increase of \$89 per month for 2015.
 - The average household income for these families is \$37,000, and on average they currently pay \$730 a month in rent.
 - NYCHA will increase their rents over the next three years starting June 1, 2015 as part of the annual income review process.
- There are approximately 10,500 flat rent households in NYCHA public housing, or 6 percent of NYCHA households, with incomes between 60 percent and 80 percent AMI who currently pay less than 30 percent of their income for rent. In order to bring their rents into compliance with the 2014 Appropriations Act, NYCHA will increase their rents over the next three years until they reach 80 percent of FMR or the Brooke Amendment income-based rent, whichever is less.
 - The proposed rent increase of 9 percent will result in an average increase of \$78 per month for 2015.
 - The average household income for these families is \$50,186, and on average they currently pay \$979 a month in rent.
 - NYCHA will increase their rents over the next three years starting June 1, 2015 as part of the annual income review process.

More detailed information on the proposed flat rent increases and flat rent schedules by bedroom size may be found on NYCHA's web site at <http://www1.nyc.gov/site/nycha/about/annual-plan-financial-information.page>.

Capital Improvements – FY 2015 Capital Fund Annual Statement and 5-Year Action Plan

As provided under Section 9 of the U.S. Housing Act of 1937, as amended by Section 519(a) of the Quality Housing and Work Responsibility Act of 1998, the Annual PHA Plan served as the PHA's application for Capital Fund formula grants. Effective November 25, 2013, based on a change in HUD regulations, the PHA reporting process on capital funding has been separated from the Annual PHA Plan process. Specifically, the Annual Statement/Performance and Evaluation Report used to identify the upcoming capital activities the PHA is proposing for its public housing developments, and the PHA's 5-Year Action Plan describing its long-term planned capital improvement projects, are no longer required elements of the Annual PHA Plan. These documents, part of the PHA's Capital Fund Annual Submission, may still be provided to HUD along with the

Annual PHA Plan, but the PHA must consult with the RAB and must conduct an annual public hearing on the Capital Fund Annual Submission.

On February 5, 2015, NYCHA presented the FY 2015 Capital Fund Annual Statement/Performance and Evaluation Report and 5-Year Capital Plan to the Resident Advisory Board (RAB) for its review and comments. NYCHA also presented the FY 2015 Capital Fund information at the six town hall meetings held in March for the proposed Amendment. Residents and the public were also encouraged to attend the April 20, 2015 public hearing on the proposed Amendment and FY 2015 Capital Fund.

NYCHA's FY 2015 Capital Fund Annual Statement/Performance and Evaluation Report and 5-Year Capital Plan are included in the Amendment in Attachment B, on pages 22 through page 46.