Date: October 19, 2018

To: LMHA Residents

From: Megan Newson, Public Housing Operations Manager

Subject: Significant Amendment to the LMHA 2018 Annual Plan

A Significant Amendment to the Lorain Metropolitan Housing Authority’s 2018 Annual Plan is available for your review and inspection.

A summary of the proposed changes to the Public Housing Admissions and Continued Occupancy Policy (ACOP) is on the back of this page. A full copy of the proposed Annual Plan is available at all LMHA management offices and at the LMHA offices at 1600/1604 Kansas Avenue, Lorain.

The documents are also published on the LMHA website at <http://www.lmha.org/about-lmha/annual-reports/>.

***The proposed changes only effect public housing residents and do not affect residents of Harr and International Plazas or participants of the Housing Choice Voucher Program.***

LMHA is interested in your comments. Please submit them in writing to:

LMHA

Attention: Megan Newson

1600 Kansas Avenue

Lorain, OH 44052

Comments will be addressed at a public hearing scheduled for 10:00 a.m. on Wednesday, December 5, 2018 at the LMHA Main Office. Thank you.

**Summary of Changes to Lorain Metropolitan Housing Authority’s**

**2018 Admissions and Continued Occupancy Policy & Annual Plan (FY 2019)**

**Effective March 22, 2019**

**CURRENT:**

**Page 13-18 13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION**

Over-Income Families [24 CFR 960.261 and FR 11/26/04, p. 68786]

Subject to certain restrictions, HUD authorizes PHAs to evict or terminate the tenancies of families because they are over income. Unless required to do so by local law, the PHA may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require PHAs to evict over-income residents, but rather gives PHAs the discretion to do so thereby making units available for applicants who are income-eligible.

**PHA Policy**

The PHA will not evict or terminate the tenancies of families solely because they are over income.

**PROPOSED:**

**Page 13-18 13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION**

Over-Income Families [24 CFR 960.261; FR Notice 7/26/18]

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 placed an income limitation on public housing tenancies. The over-income requirement states that after a family’s income has exceeded 120 percent of area median income (AMI) (or a different limitation established by the secretary) for two consecutive years, the PHA must either terminate the family’s tenancy within six months of the determination, or charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds, as determined by regulations.

PHAs also have discretion, under 24 CFR 960.261, to adopt policies allowing termination of tenancy for families whose income exceeds the limit for program eligibility. Such policies would exempt families participating in the Family Self-Sufficiency (FSS) program or currently receiving the earned income disallowance.

**PHA Policy**

At annual or interim reexamination, if a family’s income exceeds the applicable over-income limit, the PHA will document the family file and begin tracking the family’s over-income status.

If one year after the applicable annual or interim reexamination the family’s income continues to exceed the applicable over-income limit, the PHA will notify the family in writing that their income has exceeded the over-income limit for one year, and that if the family continues to be over-income for 12 consecutive months, the family will be subject to the PHA’s over-income policies.

If two years after the applicable annual or interim reexamination the family’s income continues to exceed the applicable over-income limit, the PHA will charge the family a rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit. The PHA will notify the family in writing of their new rent amount. The new rent amount will be effective 30 days after the PHA’s written notice to the family.

If, at any time, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with PHA policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The PHA will notify the family in writing that over-income policies no longer apply to them. If the family’s income later exceeds the over-income limit again, the family is entitled to a new two-year grace period.

The PHA will begin tracking over-income families once these policies have been adopted, but no later than March 24, 2019.

The PHA will not evict or terminate the tenancies of families whose income exceeds the income limit for program eligibility as described at 24 CFR 960.261.