

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
SEPTEMBER 30, 2014**

RESOLUTION NO. 2014-25

WHEREAS, in order to comply with statutory Flat Rent changes contained within Public Law 113-76, The Consolidated Appropriations Act, 2014 (the Act) and in HUD Notice PIH 2014-12, HANO has amended its Public Housing Agency (PHA) Plans for Fiscal Years beginning October 1, 2013 and October 1, 2014 and has updated applicable portions of its Admissions and Continued Occupancy Policy (ACOP) as attached in Appendix I; and

WHEREAS, in keeping with requirements, HANO will set the flat rent amount for each public housing unit at no less than 80 percent of applicable Fair Market Rents (FMRs); will limit annual increases to 35% for current program participants that pay flat rent; and in circumstances where utilities are paid for by the resident will reduce the flat rent amount to account for reasonable utility costs; and

WHEREAS, upon implementation of the new flat rent provisions on October 31, 2014, all public housing households will continue to have the choice to pay either income-based rent or flat rent at the time of their annual rent option or annual recertification; and

WHEREAS, the Flat Rent Amendment and accompanying documentation was posted on HANO's website and made available for review through a series of public notices during the 45-day period July 28 – September 11, 2014; HANO held a consultation meeting with the Resident Advisory Board (RAB) on July 31, 2014; HANO coordinated site-based resident meetings from August 11 – September 10, 2014; HANO conducted a public hearing on September 11, 2014; all comments received through RAB consultation and through written correspondence were carefully considered and are attached in Appendix II; and

WHEREAS, the Flat Rent Amendment was submitted to City officials for review and Certification of Consistency with the Consolidated Plan and the required Certification was executed on August 13, 2014, and members of the HANO Board of Commissioners, New Orleans City Council, and Housing Advocacy leaders were notified about the Flat Rent Amendment and provided with electronic website links to the respective documents.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans adopts the PHA Plan Flat Rent Amendment and authorizes the Executive Director to submit the requisite Plan documents to HUD along with the related certifications provided in Appendix III.

Executed this 30th day of September, 2014

APPROVAL:



DWAYNE G. BERNAL
CHAIRMAN, BOARD OF COMMISSIONERS



September 30, 2014

MEMORANDUM

To: **Dwayne G. Bernal**
Chairman, Board of Commissioners

Through: **Gregg Fortner**
Executive Director

From: **Shelley Smith**
Director of Strategic Planning

Re: **Flat Rent Amendment to HANO's PHA Plan**

In order to comply with statutory changes contained in Public Law 113-76, The Consolidated Appropriations Act, 2014 (the Act) and applicable HUD guidance (Notice PIH 2014-12), HANO has amended its Flat Rent policies and the associated Public Housing Agency (PHA) Plans for Fiscal Years beginning October 1, 2013 and October 1, 2014. This documentation, collectively referred to as the "Flat Rent Amendment", is attached as Appendix I.

By way of background, HUD requires housing authorities to offer public housing residents a choice between income-based rent and flat rent. *Income-based rent* is calculated at 30% of income less allowable deductions and *flat rent* is based on the market rent charged for comparable units in the private unassisted rental market.

Pursuant to the Act, HANO will set the flat rent amount for each public housing unit at no less than 80 percent of applicable Fair Market Rents (FMRs) as outlined below in Schedule A. Also, for current program participants that pay flat rent, HANO will limit annual increases to 35% as indicated in Schedule B. The flat rent amounts will be reduced to account for reasonable utility costs paid for by the resident. In accordance with Notice PIH 2014-12, **the new flat rent provisions will be implemented on October 31, 2014**. With the October 31st effective date, all public housing households will continue to have the choice to pay either income-based rent or flat rent at the time of their annual rent option or annual recertification. As referenced above and delineated in Appendix I, HANO's PHA Plans and its Admissions and Continued Occupancy Policy (ACOP) have been amended to reflect these flat rent revisions.

HANO Flat Rent Schedules
Effective Date October 31, 2014

Schedule A

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
2014 Fair Market Rents (FMR) (Orleans Parish)	\$765	\$948	\$1190	\$1440	\$1656
80% of FMR	\$612	\$759	\$952	\$1152	\$1325

Applicable to new admissions to the public housing program on or after October 31, 2014.

This schedule is also applicable to existing public housing program participants paying income based rent but opting to convert to flat rent on or after October 31, 2014.

(Rates are subject to revision, since regulations require that HANO annually evaluate its public housing flat rent rates based on rent reasonableness methodology and within the context of new FMRs published each year by HUD.)

Schedule B

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
HANO Current Flat Rents	\$254	\$299	\$373	\$418	\$481
35% Maximum Annual Increase (Year 1)	\$342	\$403	\$503	\$564	\$649

Applicable only to public housing program participants paying flat rent on or prior to the October 31, 2014 effective date.

(Rental rates in this Schedule B will increase by 35% each year until they reach the rental rates required by the Act as described in Schedule A or its successor).

Through a series of public notices, HANO invited residents and community stakeholders to review the Flat Rent Amendment during the 45-day period July 28 – September 11, 2014. The Flat Rent Amendment documents, which include ACOP revisions, were posted on HANO's website and made available for review and comment at HANO's central offices and site management offices. A Resident Advisory Board (RAB) consultation was held on July 31st and staff subsequently prepared a Report comprised of RAB recommendations and HANO responses.

On August 5, 2014, the Flat Rent Amendment was submitted to City officials for review and Certification of Consistency with the Consolidated Plan and the required Certification was executed on August 13, 2014. Members of the HANO Board of Commissioners, New Orleans City Council, and Housing Advocacy leaders were notified about the Amendment and provided with electronic website links to the respective documents. Flat rent meetings were held with residents at each public housing site from August 11 – September 10th culminating in a September 11th public hearing. No comments were received at that meeting. All comments received through RAB consultation and through written correspondence were carefully considered and are provided in Appendix II.

It is requested that the HANO Board of Commissioners adopt the Flat Rent Amendment and authorize the Executive Director to submit the Plan Amendment to HUD along with the related certifications provided in Appendix III. Following Board adoption, notices will be sent to all public housing households explaining the respective changes and describing the impact for tenants that are currently paying flat rent. HANO's Property Managers are prepared to assist any residents who have questions or need additional help with understanding the new flat rent provisions.