

## **INTERIM MOVING TO WORK DEMONSTRATION AGREEMENT**

This interim Moving to Work (MTW) Agreement (Agreement) is entered into by and between the United States of America through the Department of Housing and Urban Development (HUD) and the Housing Authority of the City of Charlotte, NC (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and continue as provided in Article III of this Agreement; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the regulatory framework known as the Public Housing/Section 8 Moving to Work demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies and the Secretary of the Department of Housing and Urban Development (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that reduces cost and achieves greater cost effectiveness in Federal expenditures; give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and increase housing choices for low-income families; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria as set forth in the Notice of Moving to Work Demonstration Program and Invitation to Apply, published December 18, 1996 (61 Fed. Reg. 66856) and selected the Agency to participate in the MTW demonstration program; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 voucher programs administered by HUD; and

WHEREAS, it is the goal of the MTW demonstration program to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success; and

WHEREAS, the parties desire to state the terms and conditions under which HUD will permit the Agency's interim participation in the MTW demonstration program as set forth below in this Agreement;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

## **ARTICLE I. HUD Program Requirements and Other Federal Requirements.**

- A. This Agreement waives the terms and conditions of the ACCs and the provisions of the United States Housing Act of 1937 (the 1937 Act) and HUD requirements to the extent necessary for the Agency to implement its MTW plan, as approved by HUD in connection with this interim Agreement. Except as necessary to implement the Agency's activities, the Agency is subject to the requirements of the ACCs, the 1937 Act, and other HUD requirements. Notwithstanding anything in this Agreement, the following provisions of the 1937 Act, among others not waived by the Plan and this Agreement, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act.
1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2));
  2. Section 18 of the 1937 Act (42 U.S.C. 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW; and
  3. Section 12 of the 1937 Act (42 U.S.C. 1437j), governing wage rates, shall apply to housing assisted under MTW unless tenant-based assistance is the only assistance received by participating families and the housing in which they reside receives no other assistance.

## **ARTICLE II. Statutory Authorizations**

- A. 42 U.S.C. 1437f(o)(13)(B) and (D)(i) [and corresponding regulations at 24 C.F.R. § 983.6 and 24 C.F.R. § 983.56] – PHA Project-Based Assistance**
1. CHA is authorized to establish the percentage of funding available for tenant-based assistance based on the existing program budget authority.
  2. CHA is authorized to establish the percentage of units in a building that can be project-based assisted units. The percentage established would be determined on a project-by-project basis.
- B. 42 U.S.C. 1437f(o)(1)(B) [and corresponding regulations at 24 C.F.R. § 982.503] Establishment of Payment Standard**
- CHA is authorized to establish payment standards between 90 percent of fair market rental (FMR) and 120 percent of FMR by census tract instead of the HUD established FMR jurisdiction.
- C. 42 U.S.C. 1437f(o)(13)(C)(ii) [and corresponding regulations at 24 C.F.R. § 83.57(b)(vi)] Twenty Percent Set-Aside**

CHA is authorized to approve less than 20 percent of the set-aside amounts of Project-Based Section 8 in areas with a poverty rate in excess of 20%. CHA will limit such approvals to no more than 50 units per year. If CHA desires to exceed that 50 unit annual limit, CHA will use the standard formal waiver process with HUD.

**D. 42 U.S.C. 1437f(o), 1437g(d)(1)(H) and 1437g(e)(1)(E) [and corresponding regulations at 24 C.F.R. § 982.154 and § 982.157]**

CHA is authorized to utilize unspent HAP funding to fund mandatory training for all Housing Choice Voucher participants and contribute toward payment standards of up to 120% of FMRs to address deconcentration of low-income families.

**E. 42 U.S.C. 1437c-1 – Reporting Requirements**

In lieu of the FY 2007 annual public housing agency plan required by Section 5A of the 1937 Act, as amended, CHA will conduct its activities in accordance with an Annual MTW Plan and Annual MTW Report during the 2007/2008 fiscal year.

**ARTICLE III. Transition to Full MTW Agreement**

HUD is in the process of revising the MTW Agreement in order to provide consistent, clear, and standardized language for all MTW sites. The authorizations granted in this interim MTW agreement will be incorporated into the standardized Agreement, which CHA and HUD will execute when ready. The term of this interim Agreement will expire on either the date when the comprehensive agreement is executed by the Agency and HUD or the expiration of one year following the date the comprehensive agreement becomes available to the CHA for execution, whichever comes first.

With written HUD approval, this Agreement may be revised by the Agency. The Agency shall request approval of a revision by written notification to HUD (delivered to the Office of Public Housing Investments, or its successor, in the Office of Public and Indian Housing), accompanied by an approved board resolution, or equivalent, along with a certification and supporting documentation that the Agency has satisfied all resident participation requirements. HUD will review proposed revision agreements within a reasonable period of time. When proposing amendments to this Agreement, the Agency will provide notice and a reasonable period within which residents may comment. The Agency will consider these comments prior to amending this Agreement.

**ARTICLE IV. Termination and Default**

- A. At any time HUD may terminate this Agreement, and the Agency's MTW demonstration, or take any corrective or remedial action as described in Article III.C. of this Agreement, for Agency default, or other good cause as determined by HUD after providing the Agency with notice and a reasonable opportunity to be heard, unless HUD determines the nature of the default requires that HUD take immediate action.
- B. Definition of Default. Use of funds subject to this Agreement for a purpose other than as authorized by this Agreement; noncompliance with legislative, regulatory, or other

requirements applicable to this Agreement; other material breach of this Agreement; or a material misrepresentation in the MTW Plan submission by the Agency shall be a default under this Agreement.

- C. HUD's Determination of Default. If HUD determines that the Agency is in default, HUD will give the Agency written notice of the default and of the corrective or remedial action required or ordered by HUD.
- D. Corrective or remedial actions HUD may require or order under this Agreement for Agency default include, but are not limited to the following:
1. Requiring the Agency to prepare and follow a HUD approved schedule of actions and/or a management plan for properly completing the activities approved under this Agreement;
  2. Canceling or revising the affected activities, revising the budget for activities as necessary, and substituting other eligible activities;
  3. Prohibiting payment or reimbursement for any MTW demonstration activities or for those activities affected by the default;
  4. Requiring reimbursement by the Agency to HUD for amounts used improperly;
  5. Terminating this Agreement;
  6. Changing the method of payment to the Agency;
  7. Suspending the Agency's authority to make draws or receive or use funds for affected activities;
  8. Reducing the Agency's funding in the amount affected by the default;
  9. Terminating the Agency's funding as to further activities under the MTW demonstration;
  10. Taking any other corrective or remedial action legally available; and
  11. Taking action, as applicable, pursuant to the Section 8 and/or public housing Annual Contributions Contract.

This Agreement is effective upon execution, except as otherwise provided herein.

HOUSING AUTHORITY OF THE CITY OF CHARLOTTE, NC

By Charles Woodward

Its President/CEO

Date of Execution by Agency 11-29-06

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

By [Signature]

Its Assistant Secretary

Date of Execution by HUD 12.04.06