

## **Summary of Admissions and Occupancy Final Rule**

The Final Rule on Admissions and Occupancy (65 FR 16692, March 29, 2000) implements changes to the admission and occupancy requirements for the public housing and section 8 assisted housing programs made by the Public Housing Reform Act of 1998. These changes concern: choice of rent, determination of income and rent in public housing and Section 8 housing assistance programs, community service and self-sufficiency in public housing and admission preferences. This final rule follows a proposed rule published on April 30, 1999, and a Federal Register Notice dated August 6, 1999, which provided interim guidance on the implementation of several of these admissions and occupancy provisions that were effective October 1, 1999. *(What follows is a summary. Please consult the final rule cited above as the authoritative text.)*

### **Highlights of the Final Rule**

#### **Income Targeting and Tenant Selection and Assignment**

- **Repeal of Federal Preferences:** Repeals the mandatory federal preferences for admission which included applicants involuntarily displaced, living in substandard housing or paying more than 50% of income for rent. Authorizes PHAs to develop locally-based admission preferences based on local housing needs.
- **Repeal of Preference for Elderly, Disabled, and Displaced over Other Single Persons:** Removes the admission preference for single persons who are elderly, disabled or displaced persons before other single families.
- **Income Targeting:** Provides that 40% of newly-available public housing units at a PHA and 40% of newly-available units in a Project-Based Section 8 generally must go to families with incomes less than 30% of area median income.

#### **Rent Policies**

- **Permissive Deductions:** Allows PHAs to adopt other rent incentives, such as ceiling rents and income disregards, to reward public housing residents who increase their incomes and so that families do not pay more than market rate for their public housing unit.
- **Minimum Rents:** Requires that residents pay a monthly minimum rental amount between \$0 and \$50, with exceptions for families unable to pay because of financial hardship.

- Self-Sufficiency Incentives: Prohibits a Public Housing family's rent from being increased for one year, and limits rent increases for a second year, when a family member who was unemployed or on TANF gets a job, or permits PHAs (at a family's request) to establish Individual Savings Accounts for the purpose of purchasing a home, paying education costs, moving out of public housing, or other activities promoting self-sufficiency.
- Income Changes Resulting From Noncompliance with Welfare Program Requirements: Provides that a family's rent will not be decreased when its income goes down because of welfare agency sanctions as a result of non-compliance or an act of fraud by a member of the covered family.
- Family Choice of Rent in Public Housing: Offers families the choice, annually, of paying either an income-based rent (generally up to 30% of adjusted income) or a flat rent, based on the rental value of the unit.

#### **Community Service and Family self-sufficiency**

- Community Service and Self-sufficiency Requirements for Public Housing: Requires that every adult resident of public housing perform eight hours of community service each month, or participate in a self-sufficiency program for at least eight hours every month. Elderly persons, disabled persons, persons already working, persons exempt from work requirements under state welfare programs, or persons receiving assistance under state welfare programs are exempt from the requirement.
- Changes to Existing Self-Sufficiency Programs: Revises the current HUD Family Self-Sufficiency program size requirements, and clarifies the definition of welfare assistance for purposes of the HUD Family Self-Sufficiency program.
- Cooperative Agreements with Welfare Agencies: Requires PHAs to seek out cooperation agreements with other agencies in order to facilitate assistance in verifying resident compliance with a number of requirements of the Reform Act, and to establish services targeting the needs of assisted families.

## **Additional Activities Supporting Implementation of the Final Rule**

To assist PHAs in implementation, the Department is undertaking several additional initiatives. Some of these activities are highlighted below:

- **Guidance on Establishing Cooperation Agreements:** PIH Notice 2000-11 of May 9 contains guidance for PHAs to establish cooperation agreements with local agencies. This Notice highlights a number of different ways local agencies can work together effectively, and provides a sample Memorandum of Understanding for agencies to use when developing their own agreements.
- **PHRA Training Conferences:** The Department is sponsoring training conferences during Summer 2000 to provide PHAs and residents with detailed information and training on implementation of the provisions of the reform act. The provisions of the Final Rule on Admissions and Occupancy will be addressed in several workshop sessions.
- **Ongoing Coordination with HHS:** HUD and HHS are working together on a number of joint efforts to provide technical assistance and training on each agencies program requirements, and how local cooperation can be facilitated. HUD will be participating in HHS' monthly regional video conference calls, HHS staff will participate in HUD's training conferences, and the development of materials to be issued jointly is being considered.