

20.2.2 TERMINATION OF OVER-INCOME HOUSEHOLDS

Pursuant to The Housing Opportunity Through Modernization Act of 2016 (HOTMA), CHA will implement HUD requirements for over-income households. For the purpose of this policy, over-income is defined as household income exceeding 120 percent of the Area Median Income (AMI).

If a household is over-income for two consecutive years, CHA will terminate public housing tenancy.

To calculate the over-income limit, CHA will multiply HUD's Very Low Income (VLI) limit by 2.4 or use as yet forthcoming guidance from HUD to calculate the amount of monthly subsidy for the unit.

The two-year clock will start once CHA becomes aware, through an annual reexamination or an interim reexamination, of an increase in income, that a household has reached the over-income limit. If CHA becomes aware, through an annual reexamination or an interim reexamination, of a decrease in income resulting in annual income below the over-income limit, the household is no longer considered over-income and the two-year clock stops. A new two-year clock starts if the households' income subsequently increases to above the over-income limit.

CHA will notify a household of the potential termination of tenancy after one year of the household's income exceeding the over-income limit. The written notification to the household will state that the household income has exceeded the over-income limit for one year, and that if the household's income continues to exceed the over-income limit for the next 12 consecutive months, the household will be subject to termination of tenancy. If, however, CHA discovers through an annual or interim reexamination that a previously over-income household has income that has dropped below the over-income limit, the household is no longer subject to these provisions. The household is entitled to a new 2-year grace period if the household's income once again exceeds the over-income limit.