



SIGNIFICANT AMENDMENT TO THE FY 2015 ANNUAL PUBLIC HOUSING AUTHORITY PLAN

2015 HUD Changes to Flat Rent

Due to a new HUD requirement, all public housing authorities including NYCHA are required to increase flat rents over the next three years to 80 percent of Fair Market Rent (FMR). **Flat Rents** are the maximum rents charged for rent and are based on rent charged for similar units in the private non-subsidized rental market.

If you are one of the 141,000 NYCHA households who pay 30 percent of your income toward rent, your rent will not be increased.

- 5,000 flat rent households with incomes between 80 percent and 100 percent Area Median Income (AMI) were charged 80 percent of the FMR for their flat rents starting with the December 31, 2014 annual reviews. These households will not have additional rent increases.
- Flat rent households (5,200) with incomes greater than 100 percent of AMI currently pay 85 percent of the FMR for their flat rent and are in compliance with the FY 2014 Appropriations Act. These households will not have additional rent increases.

If you are one of the 14,700 flat rent households with an income less than 60 percent of AMI and you currently pay less than 30 percent of your income for rent, your rent will increase over the next three years.

- Your rent will be increased over three years until pay either 80 percent of FMR or the income-based rent (30 percent of income), whichever is less.
- The proposed rent increase of 12 percent will result in an average increase of \$89 per month for 2015.
- The average household income for these families is \$37,000 and the average monthly rent payment is \$730 a month.
- NYCHA will begin to increase rent for households in this category on November 1, 2015.

If you are one of the 10,500 households with income between 60 percent and 80 percent AMI and you pay less than 30 percent of your income for rent, your rent will increase over the next three years to 80 percent of FMR or the Brooke Amendment income-based rent, whichever is less.

- This 9 percent rent increase will result in an average increase of \$78 per month for 2015.
- The average household income of this group is \$50,186; the average rent is \$979.
- NYCHA will increase rent for households in this category starting on November 1, 2015.

Definitions of Terms

- **Flat Rents** are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.
- **Brooke Rent (Income Based Rent)** is a tenant rent that is based on the family's total household income and the PHA's rent policies for determination of such rent. Public housing families do not pay more than 30 percent of their total income for rent.
- **Area Median Income (AMI)** refers to the income level earned by a given household in a geographic area where half of the households in the area earn more and half earn less. Area Median household incomes are frequently used to determine housing affordability.
- **Fair Market Rent (FMR)** is the estimated amount of money a property with a certain number of bedrooms, in a certain area of the country, will rent for. HUD calculates the numbers for each area with the help of census data and through renter surveys. Fair Market Rents are used to determine rental voucher amounts for government assistance housing programs such as Section 8 (Housing Choice Voucher Program).