

Public Housing Program Recovery Action Plan Amendment 1 – Technical Modification 2

Background and Scope

The Mississippi Development Authority (MDA) submits this Technical Modification 2 to the final Public Housing Program Recovery Action Plan Amendment 1 that was approved by HUD on August 31, 2006. The MDA has determined that this change does not represent a major modification to the plan requiring formal submission to HUD. The nature, purpose, scope and direct beneficiaries of the Partial Action Plan remain the same subsequent to the modification. Additionally, this technical modification will not negatively impact other potential beneficiaries, i.e., tenants of public housing authorities, but instead will extend eligibility to tenants with a household income between 60 % and 80% of Area Median Income (AMI).

Modification Details

In consultation with the public housing authorities, it has been determined that there is a need for housing for persons and families with incomes at 80% of AMI. The purpose of this modification is to address this need. This modification will allow public housing authorities to use CDBG funds to develop multifamily and single family properties that they will own and operate that contain public housing replacement units and target persons or families who earn at or below 80% of AMI.

Public Housing income limits are used to determine the income eligibility of tenants of public housing. For public housing programs, HUD has defined low-income as 80% of the median family income for the area. Under public housing, public housing authorities (PHAs) cannot deny admission to families who are below 80% of AMI and are otherwise eligible. However, to ensure that housing needs for those households at lower income levels are met, PHAs are required to target admissions to extremely low-income families. According to 24 CFR 960.202(b)(1), not less than 40% of the families admitted to a PHA's public housing program during the PHA fiscal year from the PHA waiting list shall be extremely low income families, defined as a household with an income at or below 30% of AMI.

Therefore, the Partial Action Plan Amendment 1 Technical Modification 2 is to allow public housing authorities to lease units to tenants with a household income of up to 80% AMI. The funding level, objectives, program eligibility and eligible costs remain the same as defined in the Partial Action Plan Amendment 1.