

# ARHA FY 2022 ANNUAL AGENCY PLAN

## ATTACHMENT D

### DE-CONCENTRATION

#### **ARHA De-concentration Policy**

(ARHA CHAPTER 4– Application & Waiting List, page 4-13-15, ACOP REV. 10/2016)

**De-concentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]** The PHA's admission policy must be designed to provide for de-concentration of poverty and income mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the PHA's de-concentration policies must be included in its annual plan [24 CFR 903.7(b)].

The PHA's de-concentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c) (5)].

Developments subject to the de-concentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to de-concentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

#### ***Steps for Implementation [24 CFR 903.2(c) (1)]***

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the PHA must comply with the following steps:

**Step 1.** The PHA must determine the average income of all families residing in all the PHA's covered developments. The PHA may use the median income, instead of average income,

provided that the PHA includes a written explanation in its annual plan justifying the use of median income.

### **ARHA Policy**

The ARHA will determine the average income of all families in all covered developments on an annual basis.

**Step 2.** The PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

### **ARHA Policy**

The ARHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

**Step 3.** The PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (30% of median income).

**Step 4.** The PHA with covered developments having average incomes outside the EIR must then determine whether these developments are consistent with its local goals and annual plan.

**Step 5.** Where the income profile for a covered development is not explained or justified in the annual plan submission, the PHA must include in its admission policy its specific policy to provide for de-concentration of poverty and income mixing.

Depending on local circumstances the PHA's de-concentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of de-concentration
- Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the PHA's de-concentration policy. The PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the PHA's de-concentration policy [24 CFR 903.2(c) (4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the de-concentration requirement and no further action is required.

## **ARHA Policy**

For developments outside the EIR the ARHA will take the following actions to provide for de- concentration of poverty and income mixing:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives be considered in accordance with HUD requirements and ARHA Policy.