

**AMENDMENT #1
TO THE
INTERIM MOVING TO WORK DEMONSTRATION
AGREEMENT**

This Amendment #1 to the Interim Moving to Work Agreement (Interim Agreement) (Amendment #1) is entered into by and between the United States of America through the Department of Housing and Urban Development (HUD) and the Housing Authority of the City of Charlotte, NC (Agency).

WHEREAS, HUD and the Agency have entered into the Interim Agreement effective as of December 4, 2006, which states the terms and conditions under which HUD permitted the Agency's interim participation in the MTW demonstration program; and

WHEREAS, HUD and the Agency desire to amend the Interim Agreement to include an Attachment A, which sets forth the calculation of subsidies to be received by the Agency;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree to amend the Interim Agreement as follows:

ARTICLE I. Amendment

A. The Interim Agreement shall be amended to include the attached Attachment A. All other provisions of the Interim Agreement shall remain the same.

This Agreement is effective upon execution.

HOUSING AUTHORITY OF THE CITY OF CHARLOTTE, NC

By Charles Hoodyard

Its President/CEO

Date of Execution by Agency 5-11-07

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

By Paula D. Blunt

ln Its Assistant Secretary

Date of Execution by HUD 6/13/07

ATTACHMENT A

Interim Moving to Work Demonstration Agreement

Calculation of Subsidies

Upon execution of a Moving to Work (MTW) Agreement between the U.S. Department of Housing and Urban Development (HUD) and the Charlotte Housing Authority (Agency), HUD will provide the Agency with operating subsidy, capital funds, and Housing Choice Voucher Program assistance as described below.

A. Operating Subsidy

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.

B. Capital Funds Program

1. The Agency's formula characteristics and grant amount will continue to be calculated in accordance with applicable law and regulations.

~~2. For capital funds provided in years prior to the execution of the MTW Agreement, the Agency may submit, and HUD will, as permitted by law, approve, a request to reprogram, by grant year, any unobligated funds for eligible MTW purposes. Such requests will be made in accordance with current procedures governing amendments to the Annual Plan, except that no public consultation will be necessary prior to submission of the request.~~

3. All funds programmed for MTW purposes will be recorded and drawn from MTW-designated line items on relevant HUD forms.

C. Housing Choice Voucher Program (HCVP) Subsidy

1. For purposes of the Housing Choice Voucher Program funding, the Initial Year is calendar year 2007 (January 1, 2007 through December 31, 2007.)

2. For purposes of the Housing Choice Voucher program funding, the Base Year is calendar year 2006 (January 1, 2006 through December 31, 2006.)

3. Initial year (CY 2007) HCVP subsidy will be based on the HCVP subsidy received by the Agency in the Base Year (CY 2006). In the Base Year (CY 2006), the HCVP funding eligibility for Housing Assistance Payments (HAP), prior to proration, totaled \$34,742,786. The Administrative Fee funding, prior to proration, totaled \$2,170,608. These amounts constitute the Base Year amount and will be adjusted for the Initial Year and subsequent years as detailed in item 4, below

4. Funding eligibility for the HCVP in the Initial Year and subsequent years of this agreement will be equal to the Base Year funding (\$34,742,786 HAP and \$2,170,608 Administrative Fee), except that: a) the HAP subsidy will be adjusted annually by the Annual Adjustment Factor (AAF) and by the applicable proration factor percentage, and b) the Administrative Fee funding will be adjusted annually by the applicable proration factor percentage. Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW agencies.

5. If the Agency receives incremental HCVP funding, the Agency must decide to either apply the incremental funding to their MTW block grant or to keep the incremental funding separate, as provided by law. In some cases, incremental funding may not be eligible for inclusion in the block grant as may be dictated by law.

6. All HCVP funding provided by HUD and not restricted under item 5, above, or otherwise prohibited by law in the Initial Year and subsequent years under this agreement may be eligible for inclusion in the MTW flexible block grant.

7. The Agency will be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.

8. There will be no year-end settlement of annual funds provided for the MTW HCVP subsidy. All funds provided through this calculation will remain available for authorized purposes.
