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Information on how rent is calculated for Public Housing, Project-based Section 8 and Voucher Program¹

General Summary:

For all tenants in public housing, project-based Section 8 and the voucher program, the tenant's share of the rent is based upon many factors including tenant income, exclusions and deductions from income and the applicable utility allowance if the tenant is responsible for paying utilities.

If a tenant is responsible for paying utilities, it is important for a public housing tenant or a Project-based tenant to know the utility allowance for the unit. If the tenant has a voucher and is responsible for paying for utility consumption at the unit, the tenant should find out the applicable utility allowance is for the type of tenant paid utilities for the unit size and type.

Voucher tenants have unique issues because of other federal rules and requirements including, the 40% of income cap on the amount that the tenant may pay for rent (including tenant-paid utilities) for those voucher tenants who are initially renting up or are moving to a new unit, the payment standard which is the maximum subsidy, which may be paid on behalf of a family, and rent reasonableness based on comparable rents, which include the gross rent for the unit which is the rent charged by the landlord plus a reasonable allowance for tenant paid utilities.

For more information please refer to the Resident Academy, PowerPoint and recording of the session on "Resident Rent for Federal Housing Programs and the follow up Question and Answer session, which will be posted at <http://www.nhlp.org/webinars>

There are some tools and information that may help a tenant determine if the rent that they are being charged is accurate.

HUD Rent Calculator:

Google (HUD rent calculation worksheet).² This is an excel file so that *if the correct information is entered*, it will do the math. The form only calculates a tenant's adjusted income. Thus it does the math to calculate adjusted income based upon the number of dependents and the applicable deduction for childcare expenses, disability assistance allowance and medical expenses.³ The form also calculates 30% of adjusted income and 10% of gross income and

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² Because the form is an excel file, you will have to have that software program on your computer to open and use the document.

³ 24 CFR § 5.611 (adjusted income).

requests information regarding the welfare rent, if applicable.⁴ Significantly, the form does not include a section for determining the effect of the applicable minimum rent.

To use the form a person must know tenant income including all exclusions from income. Also if applicable the person needs to know the applicable utility allowance.

Word of Caution: This rent calculator is most useful for tenants who live in public housing or project based Section 8 and have the most common situation. For example, the form does not include a line to determine if the tenant must pay the applicable minimum rent or factor in public housing flat rent, prorated rents for mixed families (i.e., those with members who are not U.S. citizens or noncitizens with certain types of immigration status), and other special rules relating to unique programs such as family self-sufficiency program, voucher homeownership, etc.

For a Voucher tenant, the form is incomplete because it does not factor in the unique items mentioned above regarding the 40% of income cap on the amount that a tenant may pay initially when entering the program or for an apartment, the payment standard which is the maximum amount that a PHA will pay on behalf of a family or the rent reasonableness standard for the unit. In addition, it does not factor in situations where the “gross rent” (the contract rent plus the tenant-paid utilities) is more than the payment standard. For the voucher program, tenants have to pay the difference between the gross rent and the payment standard in addition to paying the basic 30% of adjusted income.

Forms HUD 50058 Family Report and 50059 Family Report:

For the voucher and public housing program the PHA will fill out for each tenant a form HUD 50058⁵ and for the Project-based Section 8 program the owner fills out the form HUD 50059.

The owner of a Project-based Section 8 development must give a copy of the HUD 50059 to the tenant, see HUD Handbook 43503, chapter 5, section 4, paragraph 5-31D, (see below information on how to access the Handbook)

There is no similar requirement that Public Housing or Voucher tenants must be given a copy of the form HUD 50058. However, the tenant should be entitled to this information upon request since it is information given to HUD and would be covered by the federal Privacy Act which gives residents the right to get information that is retained by HUD. Tenants should also advocate to have this be given to them as a matter of course (or that similar information be provided in worksheets). This advocacy may be done in the context of the PHA Plan process.⁶

⁴ 24 CFR § 5.628 (total tenant payment)

⁵ There is an Instruction Booklet for the form HUD 50058 (June 28, 2004) which is out of print and does not appear to be available on the HUD website. A copy can be reviewed on line and is available as of (June 1, 2012) at <http://mobrooks2010.com/view/d3d3Lmh1ZC5nb3Yvb2ZmaWNlcy9hZG0vaHVkY2xpcHMvZm9ybXMvZmlsZXNmNTAwNTThpLnBkZg==/form-hud-50058-instruction-booklet.html>

⁶ 24 CFR part 903, subpart B (PHA Plans) and <http://nhlp.org/resourcecenter?tid=35>

List of Income Inclusions and Exclusions:

Each of the programs has lists of Income Inclusions and Exclusions. The following are lists appear in the applicable HUD Handbook or Guidebook. These lists may not be up to date; nevertheless they are comprehensive and are a very good starting point.

Project-based Section 8

HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs, Exhibit 5—1, available at HUDclips.gov and http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg/4350.3

Public Housing

Public Housing Occupancy Guidebook, Chapter 10, paragraph 10.1 (Amounts Excluded from Annual Income), available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/phguidebook, see also Income Exclusions chart from the Instructions Booklet for the 50058 (see above on how to access this Booklet)

Voucher Program

Voucher Program Guidebook, 7420.7, Exhibit 5—2, available at HUDclips.gov or http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/7420.10G, see also Income Exclusions chart from the Instructions Booklet for the 50058 (see above on how to access this Booklet)

See also

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/assistanceamounts/tbra.cfm>