

PUBLIC HOUSING RENT DETERMINATION

Rent Choice

In the Public Housing program, families have the choice of paying either an income-based rent or a market-based Flat Rent which cannot be lower than 80% of the HUD-determined Fair Market Rent for the area. The Flat Rent essentially is a cap rent which provides an incentive for higher income families to remain in Public Housing. If their calculated income-based rent is higher than the PHA-established Flat Rent, they will opt for the Flat Rent. In addition, if the family finds itself in a hardship position, rent may be reduced to the Minimum Rent or zero rent under a hardship exemption situation.

The PHA must provide sufficient information for families to make an informed choice. This information must include the PHA's policy (as stated in its Admissions and Continued Occupancy Policy) on switching due to financial hardship and the dollar amount of the rent under each option. The Flat Rent option should be offered at each annual reexamination and the option selected should be documented in writing.

Income Based Rent

Formula for Total Tenant Payment

Under the income-based rent formula as established by regulations, a family's Total Tenant Payment is the highest of:

- 30 percent of adjusted monthly income or
- 10 percent of monthly income or
- Welfare Rent (in states where the welfare payment includes a designated portion for housing costs) - NOT APPLICABLE IN TEXAS

But never less than the

- Minimum Rent

Utility Allowances

Utility allowances are provided to families paying income-based rent when the cost of utilities is not included in the rent.

Utilities include gas, electricity, and fuel for heating, water or sewerage and solid waste disposal for an assisted unit. In addition, if the PHA does not furnish a range and refrigerator, the resident must be granted a utility allowance for the range and refrigerator they provide. Telephone and cable television are not considered utilities.

PHAs must develop a Schedule of Utility Allowances, by bedroom size, and review it annually.

- The amount of the utility allowance is equal to the estimate of the monthly cost of the reasonable consumption of utilities and other services for the unit by an energy-conservative household of modest circumstances.
- Utility allowance amounts will vary by the rates in effect, size and type of unit (Single family, duplex, row, town home), climatic location and siting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit
- The allowance amount must be sufficient to maintain the requirements of a safe, sanitary, and healthful living environment.
- Utility allowances may have to be adjusted as a reasonable accommodation to residents with disabilities who, because of the special needs of a disabled family member have to use higher than average amounts of utilities.

Tenant Rent

The rent paid by the family to the PHA is the Total Tenant Payment minus any utility allowances for utilities not provided by the PHA and applicable to the size unit the family is leasing.

Utility Reimbursements

The amount, if any, by which the utility allowance for a unit exceeds the Total Tenant Payment must be provided as a utility reimbursement, either directly to the family or to the utility supplier on the family's behalf each month. If the PHA elects to pay the utility provider directly, they must notify the family of the amount of the reimbursement paid.

According to PIH 2016-05, the PHA may adopt a policy for making quarterly payments of small reimbursements. Quarterly payments are permitted when the monthly reimbursement amount is \$15 or less. Those greater than \$15 must still be paid on a monthly basis. In the event a family leaves the program in advance of its next quarterly reimbursement, the PHA must reimburse the family for a prorated share of the applicable reimbursement. PHAs exercising this option must have a hardship policy in place for tenants.

Example 1: No Reimbursement
 \$120 Total Tenant Payment
 - 75 Utility Allowance
 \$ 45 Rent Paid to the PHA

Example 2: Utility Reimbursement
 \$120 Total Tenant Payment
 - 135 Utility Allowance
 \$ -10
 Utility Reimbursement = \$10

Other Income Based Rent Systems

According to the regulations the PHA rent policies may specify that the PHA will use percentage of family income or some other reasonable system to determine income-based rents. The PHA rent policies may provide for depositing a portion of tenant rent in an escrow or savings account, for imposing a ceiling on tenant rents, for adoption of permissive income deductions (24 CFR §5.611(b)), or for another reasonable system to determining the amount of income-based tenant rent.

Flat Rents

Flat Rents are based on the market value of Public Housing units in the private unassisted rental market. Flat Rent is the unsubsidized amount any landlord could charge and lease the unit promptly after preparation for occupancy

Setting Flat Rents Properly

To calculate a Flat Rent a PHA is required to take into consideration the following for each property:

- Location (include the value and quality of neighboring housing)
- Quality (need for rehabilitation)
- Unit size (both number of bedrooms and square footage)
- Unit type (generally single family units are valued the highest, with semi-detached and town home next, then walk-up or garden-type apartments; elevator buildings are usually considered a negative for family housing, although that is not necessarily the case in mixed population housing)
- Age of property
- Amenities at the property and in immediate neighborhood (e.g., laundry facilities, childcare, recreation room, play areas, open space, parking, public transportation, schools, shopping, etc.)
- Housing services provided
- Maintenance provided by the PHA
- Utilities provided by the PHA

The above list is identical to the criteria used to determine rent reasonableness in the Housing Choice Voucher Program. Under that program PHAs are to make the rent reasonableness determination using the same factors as those listed for the Flat Rents.

- PHAs can use rent reasonableness data to establish Flat Rents for their units if they have Section 8 units located in the same neighborhoods as their Public Housing properties.

- PHAs might also choose to have the rents established through other forms of market analysis using census data, surveys, and the expertise of market analysts or appraisers.
- Documentation on the method used to determine Flat Rents must be retained by the PHA.
- It is important that Flat Rents be set at levels that encourage higher income families to stay but not set so high that families decide to move because cheaper rental housing is available on the private market. Flat Rents that are set too high can result in vacancy problems, as families opt to pay the more competitive market rent.
- Flat Rents that are appropriately set can help rent an otherwise hard to rent property.
- There is no utility allowance or reimbursement with Flat Rents. Instead, the PHA takes the utility payment into consideration in setting the Flat Rents. In two otherwise identical properties, the Flat Rent would be higher for the property with PHA supplied utilities and lower for the property with tenant-paid utilities.
- PHAs must establish Flat Rents at no less than 80% of the applicable Fair Market Rent (FMR) or the Small Area FMR published by HUD (reduced by applicable utility allowances where tenants pay their utilities directly). If a SAFMR has not been determined for an area, PHA may use 80% of the unadjusted rent, if one has been determined for the area. (see PIH2017-23)
- Where neither 80% of the FMR nor 80% of the SAFMR produces a workable Flat Rent, the PHA may apply to HUD for an exception Flat Rent.
 - PHA must demonstrate, through the submission of a market analysis, that those rent options are not reflective of the unit's market value
 - PHA must wait for written HUD approval before implementing exception Flat Rents
 - PHAs that use exception Flat Rents must conduct a new market analysis and obtain HUD approval annually.
 - If HUD denies the request, PHA may appeal the decision in writing to their HUD Field Office no later than 30 days after notification of denial.
 - If the appeal is denied, PHA must immediately set Flat Rents at no less than the lower of 80% of FMR or SAFMR.

The PHA must revise, if necessary, the Flat Rent amount for a unit no later than 90 days after HUD issues new FMRs.

If a new Flat Rent would cause a family's rent to increase by more than 35 percent, the family's rent increase must be phased in at 35 percent annually until such time that the family chooses to pay the income-based rent or the family is paying the new Flat Rent.

Annual Review

PHAs should review their Public Housing Flat Rents as often as necessary, but at least annually to ensure that Flat Rents continue to mirror market rent values and are established at no less than 80% of FMR. In some PHA neighborhoods, where private disinvestment is occurring, this could result in a reduction of Flat Rents. Conversely, if public and private investment is increasing rental values near a Public Housing property, Flat Rents would rise.

Residents paying Flat Rents would not have their rents adjusted (up or down) until their annual reexamination.

Switching from Flat Rent to Income-Based Rent Because of Hardship

At any time families are unable to pay Flat Rents because their situations have changed and they are now experiencing financial hardship, they can opt to switch to an income-based rent. Once they go on income-based rent, they cannot be put back on Flat Rent until their next re-examination.

- The PHA must adopt written policies on switching from one type of rent to another
- If the PHA determines that a financial hardship exists, the PHA must immediately allow the requested switch
- The time period for the PHA to determine that a hardship exists should be spelled out in the ACOP
- PHA policies on hardship must include, but are not limited to, the following changes in circumstance:
 - Decreases in income including:
 - Layoff from work
 - Loss or reduction of employment
 - Death in the family
 - Reduction or loss of earnings or other assistance
 - Increase in expenses including:
 - Medical costs
 - Birth of a child
 - Childcare
 - Transportation
 - Education

Reexamination of Flat Rent Families

If a family chooses a flat rent, the PHA is required to conduct a reexamination of income at least once every three years, although the PHA may opt to do so more often.

- PHAs must conduct annual reexaminations of family composition, community service, self-sufficiency, and other criteria related to continued occupancy.
- PHAs are required to provide an income-based rent amount only in the year that a reexamination is conducted or if the family specifically requests it and submits updated income information.
- PHAs must continue to obtain a Form HUD 9886 each year.

Ceiling Rents

History

Those PHAs with ceiling rents in effect at the time flat rents went into effect (October 1, 1999) were permitted to use the ceiling rents as a substitute for flat rents until September 30, 2002. After that time period, PHAs were required to adjust these ceiling rents to the level of flat rents. PHAs could continue to impose a ceiling on tenant rents as an income-based option, but again, these rents had to be at the level of flat rents.

- Ceiling rents were reinstated as an option because they foster upward mobility and income-mixing. Increases in income do not affect the family since the rent is capped. (see 24 CFR § 960.253)
- Ceiling rents are typically “internal” to the PHA, absent any market survey. They do not include factors such as location and amenities, which are always considered when apartment rents are established in the privatemarket.

Current Use of Ceiling Rents

Once a family on Flat Rent switches to income-based rent because of financial hardship, they must wait until their next annual reexamination to switch back to Flat Rent. Some PHAs establish a Ceiling Rent to cover situations where incomes of these families increase before the annual reexamination date and the families cannot be placed back on Flat Rents until the reexamination. If the PHA has Ceiling Rents, the family can be placed on a Ceiling Rent until the annual reexamination.

The Ceiling rent should be the same amount as the Flat Rent with utility allowance added on, if the family pays utilities. Utility allowances are deducted from Ceiling Rents, so, for example, if the PHA's Flat Rent is \$400 and the family pays the utilities and the applicable utility allowance is \$50, the Ceiling Rent would be set at \$450. The amount paid by the family to the PHA would essentially be the same as if they were back on Flat Rent. At next reexamination, the family would officially be placed back on Flat Rent.

Pro-Rated Rents for Mixed Families

A mixed family is eligible for prorated assistance. Prorated assistance is a calculation of subsidy based on the number of members who are citizens or have eligible immigration status. (See worksheet)

RENT CALCULATION WORKSHEET
Public Housing

Name _____ Date _____

Calculation of Income-Based Rent

- 1. TOTAL ANNUAL GROSS INCOME
(Line 1, Adjusted Income worksheet) \$ _

- 2. ADJUSTED INCOME
(Line 8, Adjusted Income Worksheet) \$ _

- 3. Monthly GROSS INCOME (line 1 divided by 12) \$ _

- 4. 10% of Monthly GROSS Income (line 3 x .10) \$ _

- 5. Monthly Adjusted Income (line 2 divided by 12) \$ _

- 6. 30% of Monthly Adjusted Income (line 5 x .30) \$ _

- 7. Minimum Rent \$ _

- 8. TOTAL TENANT PAYMENT (TTP)
(enter whichever is greatest: line 4, 6, or 7) \$ _

- 9. UTILITY ALLOWANCE (If applicable) \$ _

- 10. TENANT RENT PAYABLE TO PHA (line 8 - line 9)
(Enter "0" if amount is a negative number and go to line 11) \$ _

- 11. UTILITY REIMBURSEMENT (line 9 - line 8) \$ _____

FAMILY'S CHOICE OF RENT:

- Flat Rent: _____
- Income-Based Rent _____

Initials of PHA Representative _____

Initials of Supervisor/ED _____

**WORKSHEET FOR PRORATED RENT FOR
CITIZEN/NONCITIZEN MIXED FAMILIES
(Public Housing)**

- | | |
|--|------|
| 1. Enter Total Rent Payable to PHA <i>(line 10 from Rent Computation Worksheet)</i> | \$ _ |
| 2. Enter Flat Rent Applicable to Unit | \$ _ |
| 3. Enter Maximum Subsidy for which Family qualifies <i>(line 2 - line 1)</i> | \$ _ |
| 4. Enter Total Number of Family Members | _ |
| 5. Enter Maximum Subsidy per Family Member <i>(line 3 divided by line 4)</i> | \$ _ |
| 6. Enter Number of Eligible Family Members <i>(with citizenship or eligible immigration status)</i> | _ |
| 7. Enter Amount of Subsidy for Which Family is Eligible <i>(line 6 x line 5)</i> | \$ _ |
| 8. Enter Family's Prorated Rent <i>(line 2 - line 7)</i> | \$ _ |

Initials of PHA Representative _____

Initials of Supervisor/ED _____

Fort Worth Office of Public Housing

Restrictions of Assistance to Noncitizens

Questions and Answers

1. Who qualifies to receive housing assistance?

Housing assistance is restricted to family members who fall into one of the following categories [24 CFR §5.506(a)]:

- *U.S. Citizen/National* – means any family member was born in the United States or one of its territories or possessions or who otherwise owes permanent allegiance to the United States. There is a slight distinction between a U.S. citizen and a U.S. national, but for the purposes of receiving housing assistance, they are both eligible.
- *Non-Citizen with Eligible Immigration Status* – means any immigrant family member who is in the United States legally *and* qualifies for assistance.

2. What is a 214 declaration, and who is required to have one?

A 214 declaration is a statement by each member of the family that he or she is either a U.S. citizen/national or an immigrant with eligible immigration status; a family member may also choose not to contend to be eligible for assistance. The declaration is required to assure that only U.S. citizens/nationals or immigrants with eligible immigration status are assisted. Each family member, regardless of age, must have a 214 declaration on file. For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child [24 CFR §5.508(c)].

Note: The 214 comes from Section 214 of the Housing and Community Development Act of 1980, which covers restrictions of assistance to non-citizens.

4. What can a family member declare, and what additional documentation is required?

Each family member must declare one of the following:

- *U.S. Citizen/National* – The only required documentation is the 214 declaration, but the PHA has the option of requiring a U.S. Passport or other appropriate documentation. Any additional required documentation should be stated in the PHA's Admissions and Continued Occupancy Policy and/or Administrative Plan [24 CFR §5.508(b)].
- *Non-Citizen with Eligible Immigration Status* – Requires the 214 declaration and appropriate immigration documentation showing immigration status plus signed verification consent form. Proof of age documentation is required for family members 62 years or older. The PHA must verify eligible immigration status [24 CFR §5.508(b)].

- *Non-Contending* – 214 Declaration showing that the resident is not contending to have eligible immigration status. No additional documentation is needed. The family member will not be directly assisted but may be housed with prorated subsidy if part of a mixed family as long as he or she meets all other eligibility requirements [24 CFR §5.508(e)].

3. Can a PHA house a family member who does not have eligible immigration status?

Maybe, depending on the type of family. If an ineligible family member is part of a mixed family, i.e. a family that has both eligible and ineligible members, a PHA may house the ineligible member as long as he or she meets all other eligibility requirements; the family as a whole must still meet the standard eligibility requirements (income eligibility, suitability, etc). The PHA must prorate the family's assistance based on the number of eligible family members in the household [24 CFR §5.520(a)].

Note: Ineligible immigration status is not necessarily synonymous with illegal immigration status, and there are some legal immigrants that are ineligible for assistance. A family member that declares not to have eligible immigration status (not contending) should not be construed as a statement regarding his or her legal immigration status. The verification requirements of 24 CFR §5 are intended to determine *only* whether or not a particular family member or a family as a whole is eligible for housing assistance.

4. What are the different types of families?

There are three types of families [24 CFR §5.506(b)]:

- *Fully Eligible* – all families members are U.S. citizens/nationals or eligible immigrants and qualify to receive the full amount of housing subsidy.
- *Mixed Family* – The family has both eligible and ineligible family members. At least one family member must be a U.S. citizen/national or have eligible immigrant status. A PHA may house a mixed family but must prorate assistance based on the number of eligible family members.
- *Ineligible* – No family member is a U.S. citizen/national or has eligible immigration status. The whole family is ineligible for housing assistance.

5. What does it mean to prorate a family's rent?

A family member who is not a U.S. citizen/national or an immigrant with eligible immigration status is not eligible for assistance. Therefore, when a PHA houses a mixed family, the amount of housing subsidy for the family must be prorated based on the number of eligible family members [24 CFR §5.520].

For example: A family of four is assisted, and the full amount of housing subsidy is \$100. This translates into \$25 for each family member. If only two members are eligible for assistance, then the family as a whole is only eligible to receive a housing subsidy of \$50 (2 x \$25). This is a very simplified example to conceptually demonstrate the proration of assistance. For more detailed examples of proration, see Appendices A and B.

6. But if a PHA houses a mixed family, is the PHA not also providing assistance to the ineligible members of that household?

Not really. For a mixed family, assistance means housing subsidy. In the example from Question 5, only the two eligible members are being subsidized. The family pays a regular market rent for the remaining two ineligible members.

7. What if the only eligible family member is dependent under the age of 18, and all adult members are ineligible for assistance?

There is no rule that specifies age requirement for the eligible family member. A PHA can house a mixed family as long as at least one family member is eligible for assistance, even if that one person is a dependent.

8. What do I do if a family member declares him or herself an immigrant with eligible immigration status?

If a family member declares that he or she is an immigrant with eligible immigration status, then the PHA must verify the status by way of the following process:

1. **Primary Verification** – The SAVE (Systematic Alien Verification of Entitlements) System is an online database (service fees apply) through the USCIS for verifying immigration status. If the SAVE system is not cost effective for a PHA or if primary verification through the SAVE system does not establish eligible immigration status for a particular applicant, then the PHA must resort to the secondary verification method [24 CFR §5.510(c)]. For more information about the SAVE System, visit <http://www.uscis.gov>.
2. **Secondary Verification** – The PHA should request manual verification with form G-845S within 10 days after receiving the results from the SAVE system or if the SAVE system is not cost effective for the PHA. If the secondary (manual) verification method does not demonstrate eligible immigration status, then a PHA will proceed with a notice to the family [24 CFR §5.510(d)].
3. **Notice to family** – If the secondary verification method does not demonstrate eligible immigration status, the PHA must send a written notice to inform the family of the termination, denial, or reduction of assistance. The notice should also state that the family can appeal to the USCIS as well as to the PHA. If the family chooses to appeal,

then termination, denial, or reduction of assistance cannot take place until after the hearing process is completed [24 CFR §§5.510(d)(3) & 5.514].

Note: The part of the Immigration and Naturalization Service (INS) responsible for immigration status determinations has been reorganized as the U.S. Citizenship and Immigration Service (USCIS), which is under the U.S. Department of Homeland Security.

8. Can a family ask for an extension if the additional documentation is temporarily unavailable?

Yes. If a family member declares having eligible immigration status and the necessary documentation is temporarily unavailable, then the PHA may grant an extension as long as prompt action will be taken to obtain the necessary documentation. The extension shall not be longer than 30 days [24 CFR §5.508(h)].

9. For a mixed family, is the income of an ineligible family member counted in calculating rent?

Yes. The income of an ineligible family member is counted the same way as it would be counted for an eligible family member [24 CFR §§5.520(c)(1)(ii) & 5.520(d)(1)].

10. Does a mixed family qualify for the full amount of deductions?

Yes. There is no rule in place that restricts deductions for mixed families, even if the deduction is for an ineligible member, e.g. dependent deduction or an ineligible dependent.

11. Does a mixed family qualify for the full amount of a utility allowance?

Yes. There is no rule in place that restricts the amount of utility allowance for a mixed family.

12. Can a PHA house a family before the verification process is complete?

Yes, a PHA may elect to house a family before eligible immigration status is complete. The family is responsible for repaying any housing subsidy provided if eligible immigration status cannot be determined [24 CFR §§5.512(b) & 5.528].

13. If an eligible immigrant provides documentation regarding his or her immigration status, does the PHA still have to independently verify immigration status through the SAVE Program or Form G-845S?

The regulations on restriction of assistance to non-citizens do allow PHAs do accept documentation from applicants or residents; however, PHAs must still verify eligible immigration status through the SAVE System (primary verification) or Form G-845S (secondary or manual verification). A PHA may accept documentation supplied by an applicant or resident to facilitate the verification process and to supplement information provided by the USCIS [24 CFR §5.512].

Appendix A: Proration of Rent for Public Housing 24 CFR §5.520(d)

Calculating Maximum Rents

In order to prorate rent for public housing, PHAs have to know the maximum rent for each unit size. The maximum rent is the 95th percentile of all TTPs for a particular unit size. Each PHA should post the maximum rent schedule for each unit size on an annual basis. To calculate the maximum rent, compile a list of all TTPs for housed residents in numerical order for each unit size; this list can be compiled manually or through PIC. Multiply the number of TTPs for each unit size by 0.95 to determine which TTP falls in the 95th percentile.

Example: A PHA has 11 families with the following TTPs for its three bedroom units. Multiply 11 by 0.95 to get 10.45. Round down the product of 10.45 to 10, the nearest whole number. In this case, the maximum rent for this PHA's three bedroom units is the 10th TTP (95th percentile) on the list, which is \$145.

| | | | |
|----------|----------|----------|------------------|
| 1. \$100 | 4. \$115 | 7. \$130 | 10. \$145 |
| 2. \$105 | 5. \$120 | 8. \$135 | 11. \$150 |
| 3. \$110 | 6. \$125 | 9. \$140 | |

Calculating Rent for a Mixed Family

Follow the steps below to calculate the prorated rent for a mixed family. Note that most 50058 software applications will automatically complete these calculations for you when supplied with the initial data, i.e. annual income, deductions, number of eligible family members, and maximum rent for the particular unit size, etc.

Step 1: Determine the *total tenant payment* (TTP) through the usual method, the higher of 10 percent of monthly income, 30 percent of monthly adjusted income, or the minimum rent.

Step 2: Subtract the *TTP* from the *maximum rent* to get the *maximum subsidy*. See note above for calculating maximum rents.

$$\text{Maximum Rent} - \text{TTP} = \text{Maximum Subsidy}$$

Step 3: Divide the *maximum subsidy* by the total number of family members to get the *member maximum subsidy*.

$$\text{Maximum Subsidy} \div \text{No. Family Members} = \text{Member Maximum Subsidy}$$

Step 4: Multiply the *member maximum subsidy* by the *total number of eligible family members* to get the *eligible subsidy*.

$$\text{Member Maximum Subsidy} \times \text{No. Eligible Family Members} = \text{Eligible Subsidy}$$

Step 5: Subtract the Eligible Subsidy from the Maximum Rent to get the Family Rent.

$$\text{Maximum Rent} - \text{Eligible Subsidy} = \text{Family Rent}$$

Rent Calculation Example

A family of four has two eligible members and two ineligible members. The TTP is \$100. The family qualifies for a 3 bedroom unit, which has a maximum rent of \$145.

Step 1: TTP is \$100.

Step 2: Maximum Rent - TTP = maximum subsidy

$$\$145 - \$100 = \$45$$

Step 3: Maximum subsidy divided by total number of family members = member maximum subsidy.

$$\$45 \div 4 = \$11.25$$

Step 4: Member maximum subsidy x no. eligible family members = eligible subsidy

$$\$11.25 \times 2 = \$22.50$$

The maximum rent (\$145) minus the TTP (\$100) gives a maximum subsidy of \$45. The maximum subsidy (\$45) divided by 4 family members gives a member maximum subsidy of \$11.25. The member maximum subsidy of \$11.25 times 2 eligible family members gives an eligible subsidy of \$22.50. The family's rent is maximum rent (\$145) minus the eligible subsidy (\$22.50), which comes out to \$122.50.

Appendix B: Proration of Rent for Section 8
24 CFR §5.520(c)(2)

Calculating Rent for a Mixed Family

Follow the steps below to calculate rent for a prorated family. Note that most 50058 software applications will automatically complete these calculations for you when supplied with the initial data, i.e. annual income, deductions, number of eligible family members, contract rent, payment, etc.

Step 1: Determine the *gross rent* (rent to owner plus utilities).

Step 2: Determine the *total housing assistance payment* (HAP), which is the lesser of the payment standard minus TTP or the gross rent minus TTP.

$$\text{Payment Standard} - \text{TTP}$$

or $\qquad = \text{Total Housing Assistance Payment}$

$$\text{Gross Rent} - \text{TTP}$$

Step 3: Determine the proration factor by dividing the number of eligible family members by the total number of family members.

$$\text{Eligible Family Members} \div \text{Total Number of Family Members} = \text{Proration Factor.}$$

Step 4: Multiply the proration factor obtained in Step 3 by the HAP to get the Prorated HAP.

$$\text{Ratio} \times \text{HAP} = \text{Prorated HAP}$$

Step 5: Subtract the Prorated HAP from the Gross Rent to get the family share.

$$\text{Gross Rent} - \text{Prorated HAP} = \text{Family Share}$$

Rent Calculation Example

A family of four has one eligible member and three ineligible members. The TTP is \$250, the payment standard is \$600.

Step 1: Gross rent (contract rent plus utilities) = \$550

Step 2: Total HAP = \$300

Step 3: Number of eligible family members ÷ total number of family = proration factor

$$3 \div 4 = 0.75$$

Step 4: Proration factor x Total HAP = Prorated HAP

$$0.75 \times \$300 = \$225$$

Step 5: Gross Rent – Prorated HAP = Family Share

$$\$550 - \$225 = \$325$$

Taking the number of eligible family members (3) and dividing it by the total number of family members (4) results in a proration factor of 0.75. Multiplying the proration factor (0.75) by the total HAP (\$300) produces a prorated HAP of \$225. Subtracting the prorated HAP (\$225) from the Gross Rent (\$550) gives a family share of \$325. The family share of \$325 is what the family must pay the landlord on a monthly basis.

Restrictions of Assistance to Noncitizens References

1. Section 214 of the Housing and Community Development Act of 1980
2. Restrictions on Assistance to Noncitizens
24 CFR §5.500 et seq.
3. Revised Restrictions on Assistance to Noncitizens; Final Rule
Published in the Federal Register (Wednesday May 12, 1999)
4. Housing Choice Voucher Program Guidebook
Pages 5-3 to 5-13
5. Public Housing Occupancy Guidebook
Pages 27 and 28