

PH and HCVP Advanced Rent Calculations

Complex (and new) Income and Rent Calculation Issues

Presented by
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Topics

- Definition of Annual Income
- SS or SSI Income Going to Someone Outside the Assisted Household
- Income From Assets of Minor
- Definition of Dependents
- Income From a Minor that is HoH, Spouse or Co-Head
- Tax Refunds and Annual Income
- Lump Sum Payment for Back Child Support
- Income That is Difficult to Annualize

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Topics

- Disability Assistance Expense
- Imputed Welfare
- Minimum Rent Hardship Exemptions
- Treatment of Financial Assistance Received by Students of Higher Education in Section 8 Programs
- Public Housing Mixed-Family (Prorated) Rent
- HCV Mixed-Family (Prorated) Rent
- Manufacture Home Space Rental

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Annual Income

- 24 CFR 5.609 (a)
 - *Annual income* means all amounts, monetary or not, which:
 1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; *or*
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; *and*
 3. Which are not specifically excluded in paragraph (c) of this section.

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Define “Regular and Determinable Allowances”

- Regular and determinable allowances, contributions or gifts received from organizations or persons not residing in the unit
- Can be defined in policy. For example: “a contribution from the same income source that occurs more than 3 times in one Annual Reexamination period”.

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SS or SSI Income Outside the Assisted Household

- If the payee is not residing in the subsidized unit, but the person for whom the check is issued is, then the income is included in annual income
- If a member of the subsidized family is the payee for someone not living in the unit, the income is not included in annual income

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Scenario

- A 72 year old grandmother is listed as the HoH and her 11 year old grandson resides with her. His mother, who does not reside in the subsidized unit, is listed as the payee for his SSI check in the amount of \$626 per month. The grandmother has indicated that she cannot get the check from the mother.
- How much of the SSI income would be counted towards the family's annual household income?
\$7,512 (\$626 x 12)

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Income From Assets of Minor

- Income of Dependents other than employment income
 - Benefits and non-earned income of minors is included in determining annual income.

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Scenario

- A HoH, spouse, and minor child all have savings accounts with the same bank. They each have earned income of \$500 a month from a landscaping business owned by the HoH. Each month they deposit \$100 into their respective savings accounts. At the time of their reexam, they each have \$1,200 in their respective savings account earning 3% interest annually.
- Would you count each family members asset income? **Yes**
- What is the amount of 'anticipated asset income' for each family member? **\$36 (\$1,200 x .03)**

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Scenario

- A HoH has an annuity with a current balance of \$50,000. Monthly payments are deposited into the HoH's checking account in the amount of \$500 for living expenses. How much would the PHA include as income from the annuity?

Income: \$6,000 (\$500 x 12)

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Definitions of Dependents

- A Dependent Is Someone Who Is:
 - Under 18 years of age
 - A person with a disability regardless of age
 - A full-time student regardless of age
- The Head of Household, spouse, foster children/adults and live-in aides are **NEVER** dependents

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Income From a Minor that is HoH, Spouse or Co-Head

- Earned income of minors is not counted toward annual income unless the minor is the HoH or spouse
 - The HoH, spouse, or co-head are never dependents

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Scenario

- A nineteen year old HoH and her 17 year old spouse are both working and earning \$13 per hour, 30 hours per week at a medical facility.
- How much income will be included with their annual income calculation?

$$\$40,560 \quad (\$13 \times 30 \times 52) = \$20,280 + \$20,280$$

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Tax Refunds and Annual Income

- HUD has ruled that IRS personal tax refunds are not considered income. They are monies that the PHA has previously included in annual income and are also considered to be sporadic and therefore are not included.

—Source: Federal Register July 24, 2012

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Scenario

- A single mother and her three dependents receive the same Earned Income Tax Credit refund amount each year. She uses the funds throughout the year to cover living expenses. Due to the anticipated amount of funds expected to be received, the PHA would count the Earned Income Tax Credit refund amount towards the family's annual income? **No**

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Lump Sum Payment for Back Child Support

- The PHA should determine the likelihood of the resident receiving another similar payment(s) within the next 12 months in deciding whether to include this amount.
- If the PHA determines and can appropriately verify that the tenant in all likelihood **will not** receive a similar payment the following year, then the amount **should not** be considered when calculating annual income.
- If the PHA determines that it is likely that the tenant **will receive** a similar payment and can appropriately verify it, the amount **should be** included in annual income.
 - Source: HUD.gov – General Income and Rent Determination Frequently Asked Questions (FAQs)

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Scenario

- A HoH with one minor child has just reported that the receipt of a lump sum child support payment of \$300. The HoH provides the PHA with documentation that they expect to receive two more lump sum payments over the next 6 months.
- True / False: The PHA should not include these payments in the family's annual income. **False**

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Income That is Difficult to Annualize

- When income varies, PHAs may rely on previous year's income to anticipate future income.
- When anticipated income cannot be determined for a full 12 month period, a PHA may:
 - Annualize or Average
 - Annualizing provides more benefit to the family

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Relying on Previous Year's Employment to Anticipate Income

- Sam works on a fishing boat when weather permits. You have verified that Sam earns \$7.50 per hour regular time and \$11.25 overtime. Using the table below calculate his anticipated annual income.

	Number of Hours Worked				Avg hrs worked	x	Hrly rate	Anticipated Annual Income
	Last Yr	2 yrs ago	3 yrs ago	3 yr total				
Reg	1900	1600	2000	5,500	1,833	x	\$7.50	\$13,748
OT	120	0	200	320	107	x	\$11.25	\$1,204
Total Anticipated Annual Income								\$14,952

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Annualize vs Average

- Annualize income when income varies and future income is not known.
 - Annualize each source of income
 - Conduct an interim re-exam when income changes
- Averaging income when income varies but each source of income is known
 - Calculate each source of income and add together to determine annual income
 - No interim re-exam is conducted when income changes

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Annual Income Case Study – Averaging Income

- Jane drives a school bus. She is paid \$800 per month during the 9-month school year. She receives unemployment for \$400 per month during the 3 summer months.
- Average her annual income:
 - \$800 x 9 months = **\$7,200**
 - \$400 x 3 months = **\$1,200**
 - Annual income = **\$8,400**
- No interim would be performed when income changes

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Annual Income Case Study – Annualizing Income

- Jane drives a school bus. She is paid \$800 per month during the 9-month school year. She receives unemployment for \$400 per month during the 3 summer months.
- Annualize her annual income:
– \$800 x 12 months = **\$9,600**
- Conduct an interim recertification when her income changes.

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Disability Assistance Expense

- Costs incurred for care attendant or auxiliary apparatus that are necessary for an adult member of the household, including the disabled person, to work
- Provides benefits for families who are not eligible for medical deductions.

Disability Assistance Expense

- Required criteria for deduction:
 - 1) There must be a disabled person in the family.
 - 2) The family must incur unreimbursed out-of-pocket cost for care or auxiliary apparatus that allows an adult family member to work who otherwise would not be able to work.
 - Person enabled to work can be the disabled person or an adult family member.

Disability Assistance Expense

- Must be calculated **before** the medical deduction is calculated if family qualifies for medical deductions
- Equal to the amount by which the cost for care or auxiliary apparatus exceeds 3% of gross annual income
- May not exceed the earned income received by the adult family member who is enabled to work

Disability Assistance Expense Examples

Care Attendant

- In-home Care
- Adult Day Care
- Nursing
- Personal Care

Auxiliary Apparatus

- Wheelchairs, including motorized
- Ramps
- Vehicle Adaptations
- Special equipment to enable a visually impaired person to read or type

Disability Assistance Expense Verification

- Follow HUD's Verification Hierarchy
 - Verify that a family member is a person with disabilities
 - Verify that they require care or auxiliary apparatus in order for themselves or another adult family member to work.
 - If they would require the care or auxiliary apparatus whether someone works or not, it IS NOT considered for a Disability Assistance Expense deduction.
 - Verify costs of care and/or apparatus

Disability Assistance Expense – Case Study #1

HoH, age 37; son, age 14 and disabled. HoH has earnings of \$14,000. Son receives \$600 per month SSI. In order to work, HoH must pay \$120 per week for care attendant for son.

- Would this family qualify for a disability assistance expense deduction?
- If the family qualifies for the deduction,
 - How much is 3% of household income?
 - How much disability assistance expense deduction would the family receive?

Disability Assistance Expense – Case Study #2

HoH, age 37; son, age 14 and disabled. HoH has earnings of \$5,800. Son receives \$600 per month SSI. In order to work, HoH must pay \$120 per week for care attendant for son.

- Would this family qualify for a disability assistance expense deduction?
- If the family qualifies for the deduction,
 - How much is 3% of household income?
 - How much disability assistance expense deduction would the family receive?

Disability Assistance Expense – Case Study #3

HoH, age 37; son, age 14 and disabled. HoH receives \$200 per month child support. Son receives \$600 per month SSI. In order to further her education, HoH must pay \$120 per week for care attendant for son.

- Would this family qualify for a disability assistance expense deduction?
- If the family qualifies for the deduction,
 - How much is 3% of household income?
 - How much disability assistance expense deduction would the family receive?

Disability Assistance Expense – Case Study #4

Richard, an adult family member is blind. He is provided, free of a charge, a trained guide dog that enables him to work. He pays, unreimbursed, \$100 a month for food and veterinary care for the dog. Richard earns \$1,000 per month. The family has other income of \$2,000 per month.

- Would this family qualify for a disability assistance expense deduction?
- If the family qualifies for the deduction,
 - How much is 3% of household income?
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- Would this family qualify for a disability assistance expense deduction?
- If the family qualifies for the deduction,
 - How much is 3% of household income?
 - How much disability assistance expense deduction would the family receive?

Imputed Welfare Income

- The PHA will not reduce the rent of families whose welfare assistance is reduced due to:
 - Fraud; or
 - Failure to comply with economic self sufficiency requirements.
- Annual income will include the imputed welfare income plus all other income to the family

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Imputed Welfare Income

- Applicable **only** after admission to the program
- Written verification from welfare agency required
 - Reason
 - Amount
 - Exclusion Period
 - Include all other income to the family

Imputed Welfare Income

- Imputed welfare income is offset by additional income received by the family after the sanctions was imposed
- Consider actual welfare benefit when a reduction is for reasons other than fraud or failure to comply with self-sufficiency

Imputed Welfare Income Case Study

- Erica's former grant of \$425 is being stopped due to expiration of a lifetime benefit.
 - How much monthly welfare benefit is counted? **\$0**
 - How much imputed welfare is counted? **\$0**

Imputed Welfare Income Case Study

- Irene's former welfare grant of \$370 was reduced to \$170 per month for six months due to fraud.
 - How much monthly welfare benefit is included? **\$170**
 - How much imputed welfare is included? **\$200**

Form HUD-50058 Section 7 Income

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Irene		T	170 X 12	\$ 2,040	\$	\$ 2,040
Irene		IW	200 X 12	\$ 2,400	\$	\$ 2,400
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 4,440
7h. Reserved						
7i. Total annual income: 6j + 7g						\$

Imputed Welfare Income Case Study

- Irene goes to work two months after her sanction, earning \$150 per month. Her welfare grant \$370 is still reduced to \$170 per month for fraud.
 - How much monthly welfare benefit is included? \$170
 - How much imputed welfare is included? \$50
 - How much earnings are included? \$150

Form HUD-50058 Section 7 Income

7. Income						
7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Irene		T	170 X 12	\$ 2,040	\$	\$ 2,040
Irene		IW	50 X 12	\$ 600	\$	\$ 600
Irene		W	150 X 12	\$ 1,800	\$	\$ 1,800
				\$ 0	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 4,440 7g.
7h. Reserved						\$
7i. Total annual income: 6j + 7g						\$ 7i.

Imputed Welfare Income Case Study

- Four months after her sanction, Irene is now earning \$200 per month. Her former welfare of \$370 is still reduced to \$170 per month for fraud.
 - How much monthly welfare benefit is included?
 - How much imputed welfare is included? \$170
 - How much earnings are included? \$0
- \$200**

50058 Section 7 Income

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				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
7g. Column total						\$ 4,440
7h. Reserved						
7i. Total annual income: 6j + 7g						\$ 7i.

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Minimum Rents

24CFR 5.630

- PHAs are required to establish a Minimum Rent in an amount between \$0 and \$50 for:
 - Public Housing,
 - Section 8 Mod Rehab, and
 - HCVF
- For other Section 8 programs, the minimum rent is \$25
- Minimum Rent refers to TTP
 - Utility Allowance, if applicable, is subtracted from Minimum Rent to determine Tenant Rent

Minimum Rents

- The PHA must grant an exemption from payment of minimum rent if the family is unable to pay the minimum rent because of financial hardship, as described in the responsible entity's written policies.
- PHA is encouraged to adopt "hardship exception" policies
 - Certain "hardship exceptions" are required by the Public Housing Reform Act

Minimum Rent Hardships

- Financial hardship includes circumstances in which families:
 - Have lost eligibility or are awaiting eligibility determination for a state, federal, or local assistance program;
 - Would be evicted as a result of imposing the minimum rent;
 - When a death has occurred in the family;
 - Experienced decrease in income due to circumstances beyond family's control including loss of employment;
 - Have other circumstances as determined by the PHA or HUD.

Minimum Rent Hardship Procedures

- Each HoH that is paying or starting to pay a minimum rent must be given information about how to request a hardship exemption from the payment of minimum rent
- Head of Household must **submit a written request** for a hardship exemption from paying a monthly minimum rent **prior to the rent becoming delinquent**

Minimum Rent Hardship Procedures

- **Day 1:** Request for Hardship Exemption received
- **Days 1 - 10:** PHA determines if hardship exists
- **Day 10:** Notice to Resident of decision
 - Denial of Hardship Request
 - Resident must pay minimum rent
 - Approval of Hardship Request
 - Temporary Hardship
 - Long-term Hardship

Minimum Rent Hardship Procedures

- Tenant can request a Grievance Hearing concerning PHA denial of request for hardship exemption.
 - No escrow deposit can be required.

Minimum Rent Hardship - Temporary

- Minimum Rent suspended for 90 days beginning on 1st of month following request
- Resident pays income-based TTP during suspension
- End of 90 days
 - Resident enters into Repayment Agreement for the 3 months suspended Minimum Rent
 - Tenant resumes payment of Minimum Rent
- If the PHA determines there was no qualifying hardship exemption, minimum rent is reinstated, including back rent owed from the date of the suspension

Minimum Rent Hardship – Long Term

- If the resident demonstrates the financial hardship is of a long-term basis,
 - Minimum Rent exempted retroactively to date of request
 - TTP, beginning on date of request, is Formula based TTP
 - **NO** Repayment of the Minimum Rent is required

Minimum Rent Hardship Exemption – Case Study #1

- Single HoH is awaiting an eligibility decision from Social Security based on a disability that has been verified by the PHA. He receives \$100 per month income from contributions. His request for a hardship exemption has been determined to be long term.
 - Will the family’s minimum rent be suspended or exempted?
 - For how long? **Exempted**
 - Calculate the family’s TTP. **Until a change in circumstances occurs**

$$\begin{aligned} \$100 \times 12 &= \$1,200 \\ \$1,200 - \$400 &= \$800 \\ \$800 \div \$100 &= 8 \text{ TTP} \end{aligned}$$

Minimum Rent Hardship Exemption – Case Study #2

- Single HoH is required to enter into a payment agreement for his father’s funeral of \$50 per month. He receives \$100 per month income from contributions. His request for a hardship exemption has been determined to be long term.
 - Will the family’s minimum rent be suspended or exempted?
 - For how long? **Exempted**
 - What will be the family’s TTP during this period? **Until circumstances change**

\$30

Minimum Rent Hardship Exemption Case Study #3

- Single HoH lost her job due to lay-off. She receives \$100 per month income from contributions. She has appealed the denial of unemployment benefits. Her request for a hardship exemption has been determined to be temporary.
 - Will the family’s minimum rent be suspended or exempted? **Suspended**
 - For how long? **90 Days**
 - What will be the family’s TTP during this period? **\$30**

Minimum Rent Hardship Exemption Case Study #4

- The Jones family, HoH and daughter 6, lost income due to a death in the family. The family receives \$200 per month income from contributions. The family's request for a hardship exemption has been determined to be long term.

Minimum Rent Hardship Exemption Case Study #4

- Will the family's minimum rent be suspended or exempted? **Exempted**
- For how long?
Until a change in circumstances occurs
- What will be the family's TTP during this period?

$$\begin{aligned} \$200 \times 12 &= \$2,400 \\ \$2,400 - \$480 &= \$1,920 \\ \$1,920 \div 12 \times 30\% &= \underline{\$48 \text{ TTP}} \end{aligned}$$

Minimum Rent Hardship Exemption Review Question

- The Adams family advises the PHA that their 3-year old daughter was just diagnosed with a terminal illness and a prognosis of 2 - 3 months to live. Mr. Adams is taking off work and will be staying with his wife at a Ronald McDonald house near the hospital so they can be near her daily. They have requested a minimum rent hardship exemption. Do they qualify for the hardship exemption or suspension?

Yes - probably an exemption

Minimum Rent Hardship Exemption Review Question

The Pirkey family's rent was based on the PHA's Minimum Rent \$50. 10% of total monthly income was \$20 and 30% of adjusted monthly income was \$35. The family requested and were granted a long term hardship exemption from the Minimum Rent. During the hardship period, their TTP will be:

- a. \$50
- b. \$35
- c. \$20

Treatment of Financial Assistance Received by Students of Higher Education

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Annual Income for College Students

- 24 CFR 5.609(b)(9):

For section 8 programs only and as provided in 24 CFR 5.612, **any financial assistance, in excess of amounts received for tuition and any other required fees and charges**, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), **shall be considered income to that individual**, except that financial assistance described in this paragraph **is not considered annual income for persons over the age of 23 with dependent children**. For purposes of this paragraph, **"financial assistance" does not include loan proceeds** for the purpose of determining income.

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Financial Assistance for College Students

- Types of financial assistance considered as income under the Higher Education Act
 - Pell Grant
 - Federal Supplemental Education Opportunity Grant (FSEOG)
 - Academic Achievement Incentive Scholarships
 - State assistance under the Leveraging Educational Assistance Partnership Program
 - Robert C. Byrd Honors Scholarship Program
 - Federal Work-Study (FWS) Programs

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Financial Assistance for College Students

- Types of financial assistance considered as income:
 - Non-governmental sources of assistance that may be provided by:
 - Parents
 - Guardian or other family members
 - Other persons
 - Financial assistance from the institution of higher education

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Financial Assistance for College Students

- Student education loans **do not** count as financial assistance and therefore do not count toward annual income
 - Perkins Loans
 - Stafford Loans
 - Plus Loans

*Federal Work-Study
is considered as income and counted toward
annual income*

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Definition of Tuition



- The amount of money charged to student for instructional services
- Tuition may be charged per term, per course, or per credit
- If tuition is charged on a per-credit hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition

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Definition of Required Fees

- The amount of required fees covering a full academic year most frequently charged to students.
- Represents what a typical student would be charged and may not be the same for all students at the institution
- Required fees include all fixed sum charges that are required of such a large proportion of all students that the student who does not pay the charge is an exception

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Examples of Required Fees

- Writing Lab Fees
- Science Lab Fees
- Fees Specific to the Student's Major
- Fees Specific to the Student's Program

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Determining Annual Income for College Students

- What is **not included** as Tuition and Other Required Fees and Charges
 - Room and Board
 - Books
 - Supplies
 - Meal Plans
 - Transportation and Parking
 - Student Health Insurance Plans
 - Other Non-fixed Sum Charges.

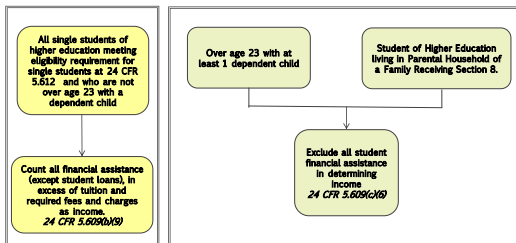
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Determining Annual Income for College Students

- Exclude full amount of student financial assistance for persons:
 - Who receive public housing assistance
 - Who are persons with disabilities **and** receiving assistance as of November 30, 2005.
 - Who are over age 23 with dependent children, or
 - Who live in parental households (PIH Notice 2005-16)

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Treatment of Financial Assistance Received by Students of Higher Education in Determining Income HCVP Programs (Not Applicable to Public Housing)



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Case Study #1: Scholarship Income

- Single eligible college student, age 23, not a veteran, no dependent children, has annual income of:
 - Earnings \$8,000
 - Scholarship of \$16,000
 - \$4,000 stipulated for tuition – Actual tuition \$6,000
 - \$7,000 stipulated for room and board
- What would be the Annual Income for the HCVP?

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Case Study #1: Scholarship Income

- What would be the Annual Income for the HCVP?
 - **\$18,000** (earnings + scholarship in excess of tuition and required fees)
 - Earnings **\$8,000**
 - Scholarship \$16,000 - Tuition \$6,000 = **\$10,000**
 - Annual Income: **\$8,000 + \$10,000 = \$18,000**
- What would be the Annual Income for PH?
 - \$8,000 (earnings only)

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Case Study #2: Scholarship Income

- Single eligible college student, age 24, not a veteran, 1 dependent child, has annual income of:
 - Earnings \$8,000
 - Scholarship of \$16,000
 - \$4,000 stipulated for tuition – Actual tuition \$6,000
 - \$7,000 stipulated for room and board
- What would be the Annual Income for the HCVP?

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Case Study #2: Scholarship Income

- What would be the Annual Income for the HCVP?
 - **\$8,000** earnings (scholarship is excluded as over 23 yrs. old and has a dependent child)
- What would be the Annual Income for PH?
 - \$8,000 (earnings only)

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Case Study #3: Annual Income

- The household consist of:
 - HoH is a full-time eligible college student, 25 yrs. old; and
 - HoH's 22 yrs. old sister who is an eligible part-time college student
- Household Income:
 - HoH: Earnings of \$6,000 and student loan of \$8,500
 - Sister: Work study earnings of \$5,000 and grants of \$5,000
- Tuition and Required Fees:
 - HoH: \$7,000
 - Sister: \$4,500

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Case Study #3: Annual Income

- What would be the Annual Income for the HCVP?
 - **\$11,500** (earnings + grants in excess of tuition and required fees)
 - Earnings: HoH **\$6,000** + Sister **\$5,000** = **\$11,000**
 - Sister's work study is included income
 - Grants **\$5,000** - Tuition **\$4,500** = **\$500**
 - HoH's student loans are exempt
 - Annual Income: **\$11,000 + \$500 = \$11,500**
- What would be the Annual Income for the PH?
 - \$11,000 (earnings)

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Case Study #4: Annual Income

- The household consist of:
 - HoH is a part-time eligible college student, 50 yrs. old, and
 - HoH's 26 yrs. old daughter (not co-head), who is a full-time eligible college student
- Household Income:
 - HoH: Earnings of \$10,000 and scholarship of \$5,000
 - Daughter: Earnings of \$5,000, grants of \$6,000 and scholarships of \$12,000
- Tuition and Required Fees:
 - HoH: \$2,500
 - Daughter: \$15,000

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Case Study #4: Annual Income

- What would be the Annual Income for the HCVP?
 - Earnings: HoH \$10,000 + Daughter \$480 = **\$10,480**
 - Student financial assistance is excluded as the HoH is over 23 yrs old and has a dependent child and the daughter's student financial assistance is excluded because the daughter is living in the parental household
- What would be the Annual Income for PH?
 - \$10,480 (earnings only)

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Determining Annual Income for College Students

- Summary:
 - Include as income all student financial assistance, including scholarships and grants in excess of amounts verified as tuition and required fees if:
 - Under 23 with dependent children
 - Exclude as income all student financial assistance if:
 - Over 23 with at least one dependent child
 - If the student is living the parental household receiving S8
 - A person with disabilities and receiving S8 as of November 30, 2005
 - Public Housing

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Pro-Rated Rents for Mixed Families In Public Housing

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Public Housing - Prorated Rents for Mixed Families

- A mixed family is a family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.
- PHAs must now use the established flat rent applicable to the unit to calculate rents for mixed families instead of the old method of using the 95th percentile of TTPs

PH – Method of Prorating Mixed Family Rents

- **Step 1** – Determine the Total Tenant Payment (TTP) in accordance with 24 CFR 5.628
- **Step 2** – Subtract the TTP from the PHA-established Flat Rent applicable to the unit
– *Family Maximum Subsidy*

PH - Method of Prorating Mixed Family Rents

- **Step 3** - Divide Family Maximum Subsidy by total number of persons in the family
 - Determines the maximum subsidy per eligible family member (*Member Maximum Subsidy*)
- **Step 4** - Multiply the Member Maximum Subsidy by the number of family members who have citizenship or eligible immigration status

PH - Method of Prorating Mixed Family Rents

- The product of steps 1 through 4 is the amount of subsidy for which the family is eligible ("Eligible Subsidy")
- TTP for the Mixed Family is the PHA-established Flat Rent minus the amount of the Eligible Subsidy

PH - Method of Prorating Mixed Family Rents

- When the mixed family's TTP is greater than the Flat Rent, the PHA must use the TTP as the mixed family TTP
- The PHA subtracts from the mixed family TTP any established Utility Allowance, and the sum becomes the mixed family Tenant Rent

PH Case Study #1: Prorating Mixed Family Rents

- Flat Rent is \$600
- Calculated TTP is \$331
- Family consists of 4 members: 3 who are citizens or have eligible immigration status and 1 ineligible family member

PH Case Study: Putting it All Together

1. FLAT RENT	\$600	
2. Calculated TTP	\$331	
3. FAMILY MAXIMUM SUBSIDY: Subtract Calculated TTP from Flat Rent (line 1 minus line 2). <i>If zero or negative, STOP. There is no proration. Family will pay calculated TTP.</i>	\$269	
4. MEMBER MAXIMUM SUBSIDY: Divide Family Maximum Subsidy (line 3) by total number of persons in the family	\$67	
5. ELIGIBLE SUBSIDY: Multiply the Member Maximum Subsidy (line 4) by the number of family members who have citizenship or eligible immigration status (eligible family members)	\$202	
6. MIXED FAMILY TTP: Subtract the amount of Eligible Subsidy (line 5) from the Flat Rent (line 1)	If positive, enter Mixed Family TTP	\$398
	If negative, enter Flat Rent from line 1	n/a

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PH Case Study #2: Prorating Mixed Family Rents

- Flat Rent is \$600
- Calculated TTP is \$700
- Family consists of 4 members: 3 who are citizens or have eligible immigration status and 1 ineligible family member

PH Case Study #2: Prorating Mixed Family Rents

1. FLAT RENT	\$600	
2. Calculated TTP	\$700	
3. FAMILY MAXIMUM SUBSIDY: Subtract Calculated TTP from Flat Rent (line 1 minus line 2). If zero or negative, STOP. There is no proration. Family will pay calculated TTP.		
4. MEMBER MAXIMUM SUBSIDY: Divide Family Maximum Subsidy (line 3) by total number of persons in the family		
5. ELIGIBLE SUBSIDY: Multiply the Member Maximum Subsidy (line 4) by the number of family members who have citizenship or eligible immigration status (eligible family members)		
6. MIXED FAMILY TTP: Subtract the amount of Eligible Subsidy (line 5) from the Flat Rent (line 1)	If positive, enter Mixed Family TTP If negative, enter Flat Rent from line	n/a

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0. Public Housing and Turnkey III			
0a. TTP: copy from 9j	\$ 700	10a	
0b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$ 600	10b	
Income Based Rent Calculation (if prorated rent, skip to 10h)			
0c. Income based ceiling rent, if any	\$	10c	
0d. Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$ 700	10d	
0e. Utility allowance, if any	\$	10e	
0f. Tenant rent: 10d minus 10e		10f	
	If positive or 0, put tenant rent	\$ 700	
	If negative, credit tenant	\$	10f
Income Based Prorated Rent Calculation (if not prorated, skip to 10u)			
0h. Public Housing maximum rent Flat Rent for Unit	\$ 600	10h	
0i. Family maximum subsidy: 10h minus 10a	STOP! Negative	10i	
0j. Total number eligible	Number....Will Use Income-Based Rent Calculation!	10j	
0k. Total number in family		10k	
0n. Eligible subsidy (10i + 10k) X 10j	\$	10n	
0p. Mixed family TTP: 10h minus 10n	\$	10p	
0r. Utility allowance, if any	\$	10r	
0s. Mixed family tenant rent: 10p minus 10r		10s	
	If positive or 0, put tenant rent	\$	
	If negative, credit tenant	\$	10s
Type of Rent			
0u. Type of rent selected:	<input type="checkbox"/> Income based	<input type="checkbox"/> Flat	92

PH Case Study #3: Prorating Mixed Family Rents

- Flat Rent is \$600
- Calculated TTP is \$50 minimum rent
- Family consists of 4 members: 3 who are citizens or have eligible immigration status and 1 ineligible family member

PH Case Study #3: Prorating Mixed Family Rents

1. FLAT RENT	600	
2. Calculated TTP	50	
3. FAMILY MAXIMUM SUBSIDY: Subtract Calculated TTP from Flat Rent (line 1 minus line 2). If zero or negative, STOP. There is no prorating. Family will pay calculated TTP.	550	
4. MEMBER MAXIMUM SUBSIDY: Divide Family Maximum Subsidy (line 3) by total number of persons in the family	137.50	
5. ELIGIBLE SUBSIDY: Multiply the Member Maximum Subsidy (line 4) by the number of family members who have citizenship or eligible immigration status (eligible family members)	413	
6. MIXED FAMILY TTP: Subtract the amount of Eligible Subsidy (line 5) from the Flat Rent (line 1)	187	If positive, enter Mixed Family TTP If negative, enter Flat Rent from line 1
	n/a	n/a

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0. Public Housing and Turnkey III			
9a. TTP: copy from 9j	\$ 50		10a.
9b. Unit's flat rent (see Instruction Booklet for prorated flat rent calculation)	\$ 600		10b.
Income Based Rent Calculation (if prorated rent, skip to 10h)			
9c. Income based ceiling rent, if any	\$		10c.
9d. Lower of TTP or income based ceiling rent (if no income based ceiling rent, put 10a)	\$		10d.
9e. Utility allowance, if any	\$		10e.
9f. Tenant rent: 10d minus 10e		If positive or 0, put tenant rent	\$ 10f.
		If negative, credit tenant	\$ 10f.
Income Based Prorated Rent Calculation (if not prorated, skip to 10u)			
9h. Public Housing maximum rent Flat Rent for Unit	\$ 600		10h.
9i. Family maximum subsidy: 10h minus 10a	\$ 550		10i.
9j. Total number eligible	3		10j.
9k. Total number in family	4		10k.
9l. Eligible subsidy (10i + 10k) X 10j (550/4) X 3	\$ 413		10l.
9m. Mixed family TTP: 10h minus 10n	\$ 187		10p.
9n. Utility allowance, if any	\$		10r.
9s. Mixed family tenant rent: 10p minus 10r		If positive or 0, put tenant rent	\$ 187 10s.
		If negative, credit tenant	\$ 10s.
Type of Rent			
9u. Type of rent selected:	<input type="checkbox"/> Income based	<input checked="" type="checkbox"/> Flat	95

Pro-Rated Rents for Mixed Families In HCVP

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Method of Prorating Mixed Family Rents

- Determine % of eligible family members
– Number eligible divided by number in family
- Prorated total HAP = HAP multiplied by % eligible family members
- Mixed Family TTP = Gross Rent minus Prorated HAP
- Mixed Family Tenant Rent = Mixed Family TTP minus Utility Allowance
- Prorated HAP to Owner = Contract Rent to Owner minus Mixed Family Tenant Rent

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Case Study #1: Project-Based Vouchers Mixed Family Rents

- Contract Rent to Owner is \$650
- Utility Allowance is \$120
- Calculated TTP is \$331
- Family consists of 4 members: 3 who are citizens or have eligible immigration status and 1 ineligible family member

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Case Study#1: Project-Based Vouchers Mixed Family Rents

11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b.
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11a.	Cost billed per month (put 0 if absorbed)	\$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: <input checked="" type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	\$ 650	11k.
11m.	Utility allowance, if any	\$ 120	11m.
11n.	Gross rent of unit: 11k + 11m	CR \$650 + UA \$120 \$ 770	11n.
11q.	TTP: copy from 9g	\$ 331	11q.

Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0	GR \$770 - TTP \$331	\$ 439	11r.
11s.	Tenant rent: 11r minus 11r	If positive or 0, put tenant rent	\$ 211	11s.
		If negative, credit tenant	\$	11s.
11t.	HAP to owner: lower of 11r or 11r	\$650 or \$439	\$ 439	11t.

Case Study #1: Project-Based Vouchers Mixed Family Rents

Prorated Rent Calculation

11aa. Normal total HAP: 11a minus 11g	\$ 439	11aa.
11ae. Total number eligible	3	11ae.
11af. Total number in family	4	11af.
11ag. Proration percentage: 11ae ÷ 11af = 3 ÷ 4	.75	11ag.
11ah. Prorated total HAP: 11aa X 11ag = \$439 x .75	\$ 329	11ah.
11ai. Mixed family TTP: 11h minus 11aj = GR \$770 - \$329	\$ 441	11ai.
11aj. Utility allowance: copy from 11m	\$ 120	11aj.
11ak. Mixed family tenant rent: 11ai minus 11aj	\$ 321	11ak.
	If positive or 0, put tenant rent	
	If negative, credit tenant	
11an. Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)	\$ 650 - \$321	\$ 329

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Case Study #2: Tenant Based Vouchers Mixed Family Rents

- Contract Rent to Owner is \$650
- Utility Allowance is \$120
- Payment Standard is \$756
- Calculated TTP is \$331
- Family consists of 4 members: 3 who are citizens or have eligible immigration status and 1 ineligible family member

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Case Study #2: Tenant Based Vouchers Mixed Family Rents

12. Housing Choice Vouchers: Tenant Based Vouchers

12a. Number of bedrooms on Voucher		12a.
12b. Is family now moving to this unit? (Y or N)		12b.
12c. Does the family qualify as a head of household? (Y or N)		12c.
12d. Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e. Cost billed per month (not 0 if absorbed)	\$	12e.
12f. PHA code listed		12f.
12g. Housing type: <input type="checkbox"/> Group Home (prorate gross rent) <input type="checkbox"/> Chain manufactured home, lease space		
	<input checked="" type="checkbox"/> SFHC - 1 room occupied by 1 person	
12h. Owner name		12h.
12i. Owner TIN/SSN		12i.
12j. Payment standard for the family	\$ 756	12j.
12k. Rent to owner	\$ 650	12k.
12m. Utility allowance, if any	\$ 120	12m.
12n. Gross rent of unit: 12k + 12m (or Space Rent)	CR \$650 + UA \$120	\$ 770
12o. Lower of 12j or 12n	PS \$756 or GR \$770	\$ 756
12p. TTP: copy from 11		\$ 331
12q. Total HAP: 12p minus 12r	\$756 - \$331	\$ 425
Rent Calculation (if prorated rent, skip to 12ab)		
12r. Total family share: 12p minus 12s	GR \$770 - Total HAP \$425	\$ 345
12s. HAP to owner, lower of 12b or 12s	CR \$650 or Total HAP \$425	\$ 425
12t. Tenant rent to owner: 12s minus 12u	CR \$650 - HAP \$425	\$ 225
12u. Utility reimbursement to family: 12m minus 12v, but do not exceed 12m		\$ 0
Prorated Rent Calculation		
12ab. Normal total HAP: copy from 12s, but do not exceed 12p		\$
12ac. Total number eligible		12ac.
12ad. Total number in family		12ad.

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Case Study #2: Tenant Based Vouchers Mixed Family Rents

Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12a, but do not exceed 12p	\$ 425	12ab.
12ac.	Total number eligible	3	12ac.
12ad.	Total number in family	4	12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	3 ÷ 4	12ae.
12af.	Prorated total HAP: 12ab X 12ae	\$425 x .75	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	GR \$770 - \$319	12ag.
12ah.	Utility allowance: copy from 12m	\$ 120	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	\$451 - \$120	12ai.
		If positive or 0, put tenant rent	\$ 331
		If negative, credit tenant:	\$
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	GR \$650 - \$331	12aj.

Manufactured Home Space Rental

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HOTMA Manufactured Homes Space Rental

- The family owns the manufactured home but is renting the space under the manufactured home space rental special housing type
- The HOTMA change for manufactured housing only impacts this type of assistance
 - The PHA may limit the number of family that may use this special housing type
 - The PHA must permit the use of this special housing type as a reasonable accommodation

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HOTMA

Manufactured Homes Space Rental

- Space Rent: Includes the amount of monthly housing expenses made by the family to amortize the cost of the purchase of the manufactured home:
 - The rent charged for the manufactured home space
 - Owner maintenance and management charges for the space the owner must provide under the lease
 - Monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes,
 - The applicable PHA utility allowances for tenant-paid utilities

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HOTMA

Payment Standard for Manufactured Homes Space Rental

- The Payment Standard used by the PHA to calculate the HAP for a manufactured home owner family is now the same Payment Standard that is used for the unit of the same bedroom size under the HCV program
- Payment standard for the family is the lower of:
 - The payment standard for the family unit size, or
 - The payment standard for the size of the unit

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HOTMA

Payment Standard for Manufactured Homes Space Rental

- New HAP contracts executed on or after **April 18, 2017** are immediately subject to the new Payment Standard and subsidy calculation
- Existing HAP contracts, the PHA must implement the changes to the Payment Standard effective on the family's first regular reexamination after April 18, 2017, but no later than **April 19, 2018**

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HOTMA ▶ **Manufactured Homes Space Rental Notification**

- PHA must notify the family of the changes to the subsidy calculation
- PHA must notify the family of the need for the PHA to obtain documentation from the family to verify if the family is currently making monthly loan payments to purchase the manufactured home
 - Amount of the monthly loan payment
 - Amount of required insurance and property taxes

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HOTMA ▶ **Manufactured Homes Space Rental Notification**

- The family must notify the PHA if there are any:
 - Changes in the amount of the monthly loan payment, or
 - If the monthly loan payment has ended

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HOTMA ▶ **Manufactured Homes Space Rental Reasonable Rent**

- The PHA must determine the initial rent to owner for the manufactured home space is reasonable
- The PHA must re-determine that the current rent to owner for the manufactured home space is reasonable at least annually during the assisted tenancy

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HOTMA **Manufactured Homes Space Rental Monthly HAP**

- The monthly HAP for a manufactured home space rental is the lower of:
 - The PHA payment standard minus the TTP, or
 - The rent of the manufactured home space (including eligible housing expenses) minus the TTP

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HOTMA **Manufactured Homes Space Rental Monthly HAP**

- It is likely that in most cases where the family is currently making a monthly loan payment for the purchase of the manufactured home, the HAP will exceed the rent to the space owner
 - The PHA has the option to:
 - Provide the entire remaining HAP balance to the family
 - Pay the remainder of the HAP balance to the lender, utility supplier, or both

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HOTMA **Manufactured Home Space Rental Calculation**

Pre-HOTMA HAP Calculation	
Rent to owner	\$500
Utility Allowance	+ \$150
Gross Rent	= \$650
Lower of space Payment Standard or Gross Rent	\$600
Family TTP	- \$450
Total HAP	\$150

HOTMA

Manufactured Home Space Rental Calculation

Family Housing Costs

Space Rent and Owner Maintenance and Management Charges	\$520
Family Loan Payment	+ \$475
Utility Allowance	+ \$180
Total	= \$1175
<hr/>	
Space Rent Payment Standard (pre-HOTMA)	\$550
PHA Payment Standard	\$1200
Family TTP	\$450

HOTMA

Manufactured Home Space Rental Calculation

HOTMA HAP Calculation

Rent to Owner	\$520
Family Loan Payment	+ \$475
Utility Allowance	+ \$180
Total	= \$1175
<hr/>	
Lower of the Payment Standard or Gross Rent	\$1175
Family TTP	- \$450
Total HAP	\$725
Total Family Share	\$450 (Gross Rent - Payment Standard)

HOTMA

Manufactured Homes Space Rental Monthly HAP

- The PHA must now distribute the HAP
 - The HAP of \$725 must not exceed the actual amount owed to the owner under the lease, \$520
 - Based on PHA policy, the remaining HAP balance of \$205 (\$725 - \$520) goes to the family, lender or utility supplier(s)

Distribution of HAP

HAP to Space Owner	\$520
Tenant Rent to Space Owner	\$0
Remaining HAP Balance to Family, Lender, or Utility Supplier(s)	\$205 (Total HAP - HAP to Space Owner)

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Questions



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Thank You!!!

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