

CHAPTER 4

FACTORS RELATED TO TOTAL TENANT PAYMENT (TTP) AND FAMILY SHARE DETERMINATION

4.0 INTRODUCTION

This chapter describes policies that may affect the determination of the Total Tenant Payment (TTP) or family share of rent. The policies in this chapter pertain to Moving to Work (MTW) and non-Moving to Work families.

4.1 ALLOWANCES

24 CFR 5.611 (a): “In determining adjusted income, the [HA] must deduct the following amounts from annual income:

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:

- (i) Unreimbursed medical expenses of any elderly family or disabled family; and**
- (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family to be employed.”**

(4): Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.”

24 CFR 5.603 (b): “*Child care expenses.* Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

MTW Plan:

The HA will implement “a new method of rent calculation, which eliminates all allowances (including utility allowances) and expenses...”

Policy:

MTW participants: The HA will not apply allowances for elderly or disabled families or dependents and for participants' disability assistance, medical and childcare expenses when determining annual income.

Non-MTW participants:

In addition to HUD regulations, the HA will use the following resources to determine allowable medical expenses (including service animals and guide dogs):

- *Internal Revenue Service Publication 502: Medical and Dental Expenses*

When before- or after-hours child care is provided at a school, the costs associated with the child care is an allowable expense but not the school tuition.

If the childcare is needed to allow a family member to work, the maximum child care expense allowed must be less than the amount earned by the employed family members in the family.

If the childcare is needed to allow a family member to attend school, the number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

Childcare expenses paid to a family member who lives in the family's unit are not an allowable expense.

If a child care provider provides other services to the family besides child care, the HA will prorate the costs and allow only that portion of the expenses attributable to child care.

4.2 EARNED INCOME DISALLOWANCE

24 CFR 5.617 (c) (3): “Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities...is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance [in the initial twelve month exclusion]...and a maximum of twelve months for disallowance [in the second twelve month exclusion and phase-in]....”

MTW Plan: The HA “eliminates the HUD-mandated Earned Income Disallowance (EID) calculation.”

Policy:

MTW participants: The HA will not apply the HUD Earned Income Disallowances for families with disabled participants when determining annual income. Therefore, if the disabled participant becomes employed, his or her income will be calculated into the family’s share of the rent at the next scheduled reexamination.

Non-MTW participants: The Earned Income Disallowance will be applied in accordance with 24 CFR 5.617 (c).

4.3 UTILITY ALLOWANCES

24 CFR 982.517 (a) (1): “The [HA] must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).”

MTW Plan:

The HA will implement “a new method of rent calculation, which eliminates all allowances (including utility allowances) and expenses...”

Policy:

MTW participants: The HA will not include utility allowances in determining the gross rent of the unit. The gross rent of the unit is the approved contract rent to the owner.

Non-MTW participants: The gross rent of the unit is the sum of the rent to the owner plus any utility allowance.

4.4 UTILITY REIMBURSEMENT PAYMENTS

24 CFR 982.514 (b): “If the housing assistance payment exceeds the rent to owner, the PHA may pay the balance of the housing assistance payment (‘utility reimbursement’) either to the family or directly to the utility supplier to pay the utility bill on behalf of the family.”

Policy:

Non-MTW participants: Where the calculation on the HUD 50058 results in a utility reimbursement payment due to the family, the HA will provide a utility reimbursement payment directly to the family each month.

4.5 MINIMUM RENT

24 CFR 5.630 (a): “The PHA must charge a family no less than a minimum monthly rent established by the [PHA].”

Policy:

The HA has established a minimum rent of \$50.00.

Exceptions due to hardship as defined by HUD are allowed, if verified.

4.6 TOTAL TENANT PAYMENT

24 CFR 5.628 (a): “Total tenant payment is the highest of the following amounts, rounded to the nearest dollar:

- (1) 30 percent of the family's monthly adjusted income;
- (2) 10 percent of the family's monthly income;
- (3) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated; or
- (4) The minimum rent, as determined in accordance with § 5.630.”

MTW Plan:

“The HA “will simplify the rental assistance calculation by setting the participant’s rent portion as (1) a flat 30-35 percent of their household’s gross monthly income; or (2) \$50, whichever is higher.”

Policy:

MTW participants: Effective September 1, 2014, the Total Tenant Payment (TTP) will be 32% of the participant-family’s gross monthly income or \$50 minimum rent, whichever is higher.

Non-MTW participants: The monthly Total Tenant Payment (TTP) will be set in accordance with 24 CFR 5.628 (a).

HUD HCV Guidebook p. 11-6:

“...the PHA does not make housing assistance payments when the following occurs:

- Thirty percent of the family’s monthly adjusted income equals or exceeds the payment standard; or
- The family share equals or exceeds the gross rent.”

Policy:

The HA will not enter into a Housing Assistance Payment (HAP) contract when the tenant rent portion pays for all of the approved contract rent (no HAP is being paid).

4.7 ABSENCE OF FAMILY MEMBERS

24 CFR 982.312 (e): “The PHA administrative plan must state the PHA policies on family absence from the dwelling unit.”

Policy:

A family member is considered temporarily absent from the unit if they are out of the unit less than 90 days.

A family member is considered permanently absent from the unit if they are out of the unit 90 days or more.

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses will be considered either temporarily or permanently absent based on the family’s request.

A family member who is out of the home due to active military duty will be considered either temporarily or permanently absent based on the family’s request.