



FAMILY CHOICE OF RENTAL PAYMENT

Flat Rents/Income Based Income

Intent and Purpose: At initial certification and at each subsequent annual recertification the tenant shall be offered a choice of paying the Income Based, Ceiling Rent, or the Flat Rent for the unit they occupy. The choice is based on the family's increase in rent. Both Ceiling Rents and Flat Rents represent the actual market value of the Housing Authority's units by using a standard comparison for non-assisted units from our area to establish these rents. They are reviewed annually and adjusted as needed.

Determining Total Tenant Payment for Flat Rent/Income Based Rent: Rent is based upon the family's anticipated annual income for a 12-month period. The Housing Authority uses this annual income less deductions and exemptions the family qualifies for, which are determined by family status and composition.

As a result the total tenant payment (TTP) is 30% of adjusted monthly income; but never less than the \$50.00 minimum rent; and never more than the flat rent/ceiling rent, if chosen by the family. A utility allowance is subtracted from the TTP. The result of these computations, if a positive number, is the tenant rent. If the TTP less the utility allowance is a negative number, the result is the tenant receives a utility reimbursement, which is paid directly to the utility company by the Housing Authority on behalf of the tenant.

Flat Rents/Income Based Rent Definition(s)

Income Based Rent: An income based rent is a tenant rent that is based on the family's income and the PHA's rent policies for determination of such rents. Families paying income based rents are required to report changes in family status, composition, and income within (10) ten days of any change. These interim changes may result in an increase or decrease in rent. Families choosing income based rent are required to participate in an Annual Certification in order to ensure that their unit size is appropriate and Community Service Requirements are met.

Ceiling Rents: Ceiling rents provide an incentive to remain in public housing for families whose income(s) has increased resulting in a TTP increase. They would pay the flat rent plus any applicable utility allowance equaling ceiling rent. Families who have reached ceiling rent are required to participate in an Annual Certification in order to ensure that their unit size is appropriate and Community Service Requirements are met.

Flat Rents: Flat Rents are market-based rents that The Department of Housing and Urban Development has determined to be the minimum rent that can be charged for the family unit without a utility allowance. Families paying flat rents are required to recertify income only every three years, rather than annually. However, they are still required to participate in an Annual Re-examination in order to ensure that unit size is still appropriate and Community Service requirements are met. A positive number (as described above) may result in the tenant choosing Flat Rent if their rent becomes higher than the ceiling rent and they no longer benefit from staying on income based rent.

