



Strengthening Neighborhoods.  
Improving Lives.

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**Rent Reform Legislative Proposals  
Side-by-Side Summary**

	<b>HUD Proposal:</b>  “Making Affordable Housing Work Act of 2018”	<b>Rep. Dennis Ross (R-FL) Discussion Draft:</b>  “Promoting Resident Opportunity through Rent Reform Act of 2018”
<b>Rent Calculations for Families</b>	Families pay the higher of 1) 35% of unadjusted monthly income, or 2) 35% of amount that a person would earn while working no less than 15 hours per week for four weeks at the federal minimum wage (approximately \$150/month). HUD and individual PHAs may establish alternative rent structures if they provide a reasonable hardship exemption and serve substantially the same number of families.	Like the HUD proposal, allows PHAs to set own rent rules as long as it meets certain requirements.  PHAs would choose from one of the following rent structures, which can vary by assistance type and project: 1) current policy, including flat and income-based rents, 2) tiered rent by income bracket, 3) stepped rent by tenure status capped at 10 years, 4) a simplified rent calculation based on gross income, and 5) a new rent structure proposed by an individual PHA. Each of the rent structures have specific detailed requirements.  HUD proposal most closely resembles rent option #4, though Ross draft proposes 30% of gross monthly income with a \$75 minimum rent, annually adjusted for inflation, while HUD proposes 35% of gross income with a \$150 minimum rent.

<p><b>Rent Calculations for Elderly and Disabled</b></p>	<p>Rents would be set at the higher of 1) 30% of unadjusted monthly income, or 2) a minimum rent of \$50, with a triennial recertification schedule. No deductions allowed. PHAs required to recertify when requested if income decreases by 10% or more.</p> <p>For purposes of rent calculations and work requirements, a household can only be considered elderly or disabled if all adults in the household, other than live-in aides, are at least 65 years old or disabled.</p>	<p>Rent is set at the higher of 30% of monthly adjusted income; 10% of monthly income; an amount for housing costs adjusted from welfare payments; or an amount determined by HUD, though no percentage is specified.</p>
<p><b>Work Requirements</b></p>	<p>PHAs and owners of PBRA units can establish a minimum work requirement for assisted families, excluding elderly and disabled households.</p> <p>Any work requirements would exempt affected households from requirements to participate in community service activities or an economic self-sufficiency program. HUD will establish criteria for any work requirements, including the population that can be eligible for work requirements, the number of hours per week that can be required, the kinds of work activities that a PHA can define as work, and any other criteria that HUD deems necessary to prevent “adverse impacts.”</p>	
<p><b>Shallow Subsidies</b></p>		<p>PHAs may use up to 40% of tenant-based rental assistance funds for shallow subsidy vouchers, which would have a payment standard between 20% and 40% of FMR and could be offered to families on the waiting list for tenant-based assistance. Households who are offered a shallow subsidy and refuse would not have their waiting list status for a typical voucher affected by that refusal.</p>

<p><b>Assets and Income Deductions</b></p>	<p>Asset exclusions would be decreased from \$50,000 to \$25,000. Income from grants and scholarships paying for tuition, fees, and books would be excluded from rent calculations.</p> <p>Deductions such as child care costs and medical expenses would no longer be considered due to the use of unadjusted income in rent calculations.</p>	<p>Would also eliminate any deductions for nonelderly or non-disabled families due to the use of unadjusted income in rent calculations.</p>
<p><b>Hardship Exemptions</b></p>	<p>Maintains existing hardship exemptions for public housing and voucher assistance and applies same exemptions to PBRA households.</p> <p>Hold harmless provision for elderly and disabled households so that any rent increases are phased in over the course of next two triennial recertifications.</p>	<p>Also maintains existing hardship exemptions but allows for PHAs to adopt any hardship policy approved by HUD as part of MTW.</p>
<p><b>Eligible Populations</b></p>	<p>For the purposes of calculating rents, work requirement exemptions, and interim income examinations, an elderly family is defined as such if the head of household, co-head of household, spouse, or sole household member is 65 years old, rather than 62.</p>	
<p><b>Protection Against Revenue Reduction</b></p>		<p>Allows HUD to make appropriate adjustments if “significant adverse funding impacts” occur to a PHA during the first 3 years after implementation of the rent and subsidy changes.</p>