

FACT SHEET #6

Rent



Under the project-based Section 8 program, tenants continue to pay 30% of their adjusted income towards rent.



How is Rent Calculated in Public Housing and in Section 8?

Most public housing residents already have an *income-based rent* where residents pay 30% of adjusted income towards rent and utilities. Section 8 (Project-based Vouchers or Project-based Rental Assistance) also bases rent on 30% of a resident's income. So, most residents will not have a rent increase because of RAD.

Some public housing residents pay a ***flat rent*** that is not based on income and does not increase or decrease as a resident's income increases or decreases. Public housing households who currently pay a flat rent may have a rent change because Section 8 does not allow flat rents. **Under Section 8, you will pay an income-based rent set at 30% of your household's adjusted income.** If a resident's rent would increase, RAD allows the increases to be "phased-in."



Will My Rent Increase Under RAD?

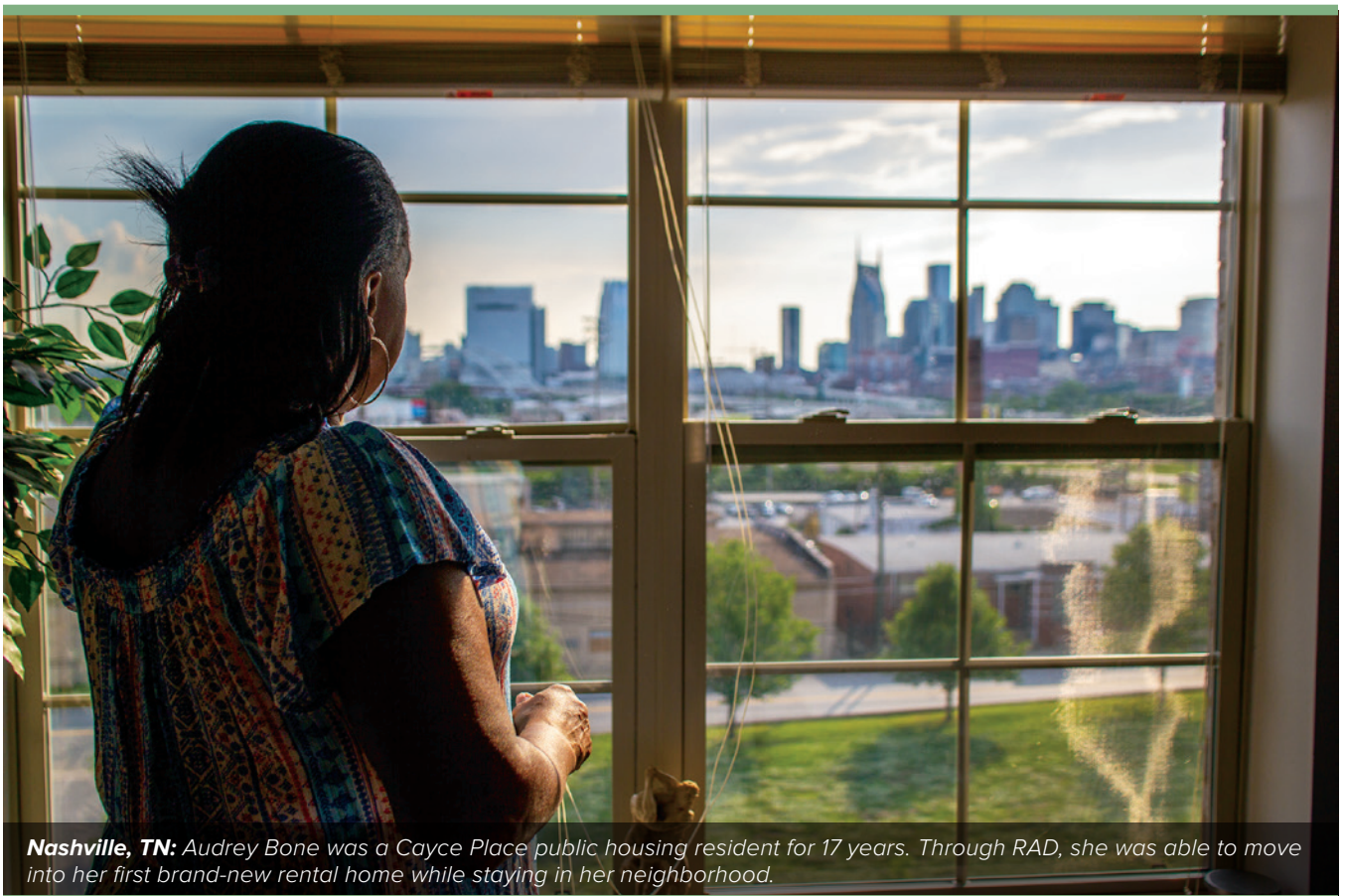
Most residents will **not** have a rent increase because of RAD.

If you are paying a ***flat rent*** in public housing, you will most likely have to pay more in rent over time as you transition to an income-based rent. If your rent would increase by 10% or \$25, or more, your new rent will be phased in. This means you will not have to start paying the full amount of the income-based rent immediately. Instead, your rent will increase a little each year. The PHA must phase in the rent increase over at least 3 years but may choose to phase in the increase in 5 years.



What Happens if My Income Changes After a RAD Conversion?

In Section 8, as in public housing, when your income changes, your rent changes. If your income goes down, your rent will go down. And if your income goes up, your rent will increase as well. Your income and rent will be recalculated during your next annual re-examination and, if your income has changed, your rent payment will be adjusted. In addition, changes in rent may occur between your annual re-examination. Exactly how this happens depends on which Section 8 program the PHA uses for your building after the RAD conversion. If the building is subsidized with Project-Based Vouchers (PBV), the PHA can set their own policy for evaluating income. If the building is subsidized using Project-Based Rental Assistance (PBRA), the building owner must adjust your rent every time your income changes by \$200 or more per month. (For more general information on differences between PBV and PBRA, see [Fact Sheet #4: The Difference Between Project-Based Vouchers and Project-Based Rental Assistance](#))



Nashville, TN: Audrey Bone was a Cayce Place public housing resident for 17 years. Through RAD, she was able to move into her first brand-new rental home while staying in her neighborhood.