



## RENT REFORM AT HOME FORWARD

### **What is Rent Reform?**

“Rent Reform” means making changes in the way rent is calculated for people in public housing or in the Section 8 program. Housing authorities, like Home Forward, that are part of HUD’s Moving to Work (MTW) program are required to do Rent Reform, especially to encourage employment and self-sufficiency and to simplify how rent is calculated.

### **When did Home Forward begin Rent Reform?**

Home Forward changed all households to the rent reform calculation on April 1, 2012. In early 2013, the federal government imposed sequestration: across-the-board reductions in federal funding. Because of these funding cuts, Home Forward made changes to the rent reform calculation to increase the amount residents and participants contribute to rent, in order to help make up the funding gap. Those increases went into effect for households on August 1, 2013.

### **Who is affected by Rent Reform?**

Rent Reform applies to people who live in Home Forward’s public housing, people who have a housing choice voucher, and people who live in project-based Section 8. This is about 10,000 households. There are two different rent methods: one for seniors and people with disabilities, and one for work-focused households.

### **Who is considered a senior and/or a person with a disability?**

- HUD’s definition of “senior” is a person aged 62 or older. Home Forward has lowered the age to 55 years and older for the purposes of Rent Reform.
- Home Forward uses HUD’s definition of “person with a disability.”
- For Rent Reform, a household falls into this group if the head of household, co-head, or spouse is a senior or person with a disability.

### **Who is considered a work-focused household?**

All households that are not seniors and people with disabilities are considered work-focused households. This includes single-member households.

## SENIORS AND PERSONS WITH DISABILITIES

### What is the new rent method for this group?

The rent calculation is based on 28.5% of the household's income, with no deductions. A utility allowance is part of the assistance, except in Home Forward's buildings where the utilities are already paid.

Seniors and people with disabilities will have income reviews every three years. If a household has a major loss of income, it may request a review to reduce its rent.

## WORK-FOCUSED HOUSEHOLDS

### What is the new rent method for this group?

The rent calculation for this group looks different over time.

- New households coming into the public housing or Section 8 program start with rent based on 29.5% of the household's income, with no deductions. A utility allowance is part of the assistance, except in Home Forward's building's where the utilities are already paid.
- Starting in year three of their participation in Rent Reform, work-focused households may see an increase their contribution to their housing costs. Their rent will be based on 29.5% of income or a \$100 minimum rent, whichever is greater. Families paying no rent and receiving a utility reimbursement will no longer receive the reimbursement and will be required to pay the minimum rent. There will be a hardship policy to help people who are struggling to find employment or who have lost a job.
- Starting in year five of participation, the contribution to housing costs will increase again. The rent will be based on 31% of income or a \$200 minimum rent, whichever is greater.
- Work-focused households will have income reviews every two years after year five.

## FREQUENTLY ASKED QUESTIONS

**What if I am a work-focused household and can't pay the minimum rent in years 3 and 5?**

We will have a hardship policy that households can apply for when their financial situation changes and they may have difficulty paying their rent.

**What if I live in an apartment community that has the tax credit program?**

If you live in an apartment community that has the low income housing tax credit program, you will meet with property management staff each year to conduct your tax credit certification. However, your public housing or Section 8 income review will occur every two years (for work-focused households) or every three years (for senior/disabled households).