

Replacement Housing Payment (RHP) Calculation

(According to URA regulations)

- The updated regulations at 49 CFR 24.402(b)(2) changed the method of calculating base monthly rent for the Replacement Housing Payment (RHP).
- Under the new rule, income is only taken into account in the RHP formula for Low-Income persons (as defined by the HUD income limits).
- For non Low-Income persons, the payment should be calculated using only the rent-to-rent comparison, without taking into account the tenant's income.
- The URA calculation for the RHP for Low-Income and NOT Low Income tenants is defined below.

ASSISTANCE FOR TENANTS IN OCCUPANCY Low-Income Tenant	ASSISTANCE FOR TENANTS IN OCCUPANCY NOT Low-Income Tenant
Replacement Housing Payment makes up (for a 42 month period) the difference between: - o <u>The lesser of:</u> ➤ rent and estimated utility costs for the replacement dwelling OR ➤ rent and estimated utility costs for comparable unit; AND - o <u>The lesser of:</u> ➤ 30% of the tenant's average monthly income OR ➤ The monthly rent and estimated average utility cost of the dwelling the tenant is being displaced from (displacement unit)	Replacement Housing Payment makes up (for a 42 month period) the difference between: - o <u>The lesser of:</u> ➤ rent and estimated utility costs for the replacement dwelling OR ➤ rent and estimated utility costs for comparable unit; AND *The monthly rent and estimated average utility cost of the dwelling the tenant is being displaced from (displacement unit) *DO NOT consider the 30% of gross income in this calculation

EXAMPLES

EXAMPLE 1: URA Replacement Housing Payment – Low Income Tenant

\$575 Rent and utilities at actual replacement dwelling

\$525 Rent and utilities at comparable replacement dwelling

Choose the lesser: **\$525**

\$460 Rent and utilities at the displacement dwelling

\$300 Is 30% of the tenants gross monthly income

Choose the lesser: **\$300**

Replacement Housing Payment (RHP) will be \$525 minus \$300 = \$225
X 42 months
\$9,450

EXAMPLE 2: URA Replacement Housing Payment – NOT Low Income Tenant

\$850 Rent and utilities at actual replacement dwelling

\$800 Rent and utilities at comparable replacement dwelling

Choose the lesser: **\$800**

\$735 Rent and utilities at the displacement dwelling

(We do NOT consider the 30% of gross monthly income in this case)

Replacement Housing Payment (RHP) will be \$800 minus \$735 = \$65
X 42 months
\$2,730

The Matrix below might be helpful when figuring RHP. Subtract the Lesser of the left hand side of the matrix from the lesser of the right-hand side of the matrix.

Remember, however, if the tenant is not low income you will not have anything in the “Ability to Pay” box.

Displacement Unit Rent	Replacement Unit Rent
Ability to Pay (Low Income Only)	Comparable Unit Rent