

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
<p>Replacement Housing Payment makes up (for a 42 month period) the difference between:</p> <ul style="list-style-type: none"> ○ <u>The lesser of:</u> <ul style="list-style-type: none"> ➤ rent and estimated utility costs for the replacement dwelling OR ➤ rent and estimated utility costs for comparable unit; <p>AND</p> <ul style="list-style-type: none"> ○ <u>The lesser of:</u> <ul style="list-style-type: none"> ➤ 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) 	<p>Replacement Housing Payment makes up (for a 42 month period) the difference between:</p> <ul style="list-style-type: none"> ○ <u>The lesser of:</u> <ul style="list-style-type: none"> ➤ rent and estimated utility costs for the replacement dwelling OR ➤ rent and estimated utility costs for comparable unit; <p>AND</p> <p style="padding-left: 40px;">*The monthly rent and estimated average utility cost of the dwelling the tenant is being displaced from (displacement unit)</p> <p style="padding-left: 40px;">*DO NOT consider the 30% of gross income in this calculation</p>

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.

