

Rent Calculation Estimation Guide

The purpose of this guide is to help you in determining an estimation of what your rent would be if you entered the following housing programs with the Oshkosh / Winnebago County Housing Authority. This handout is only intended as an estimation guide.

In general, rent is based upon 30% of your adjusted monthly income.

To determine your **monthly income**, add up all sources of household income that you receive each month, including but not limited to: Social Security benefits, wages and tips, unemployment and disability compensation, TANF cash benefits (W-2), child support, retirement benefits, personal business income, regular family and friend contributions, and other regular income sources. Certain income sources are excluded, including but not limited to food stamps, LIHEAP (energy assistance), income from children under 18, and financial aid.

In determining your rent, the Housing Authority calculates **deductions** from your **annual** income calculation, including but not limited to:

- \$480 for each dependent less than 18 years of age or who is a full-time student or person with a disability
- \$400 for head of household 62+ and/or disabled
- Certain medical expenses which exceed 3 percent of annual income and are not paid by insurance (for disabled or elderly households only)
- Any reasonable childcare expenses for children under 13 years old necessary to enable a member of the family to be employed or to further his or her education.

Total your annual household deductions, and divide by 12 to obtain a monthly estimate.

Subtract your monthly deduction estimate from your monthly income estimate to obtain your **adjusted monthly income**. See the following example below:

$$\begin{array}{r r r r r} \text{Ex. } & \mathbf{\$900.00} & \mathbf{--} & \mathbf{\$100.00} & \mathbf{=} & \mathbf{\$800.00} \\ & \text{MONTHLY} & & \text{MONTHLY DEDUCTION} & & \text{ADJUSTED MONTHLY INCOME} \\ & \text{INCOME} & & \text{ESTIMATE} & & \end{array}$$

Multiply your Adjusted Monthly Income by 30% to determine an estimate of your monthly rent. See the following example below:

$$\begin{array}{rcccccc} \text{Ex.} & \$800 & & \text{X} & & 0.30 & = & & \$240.00 \\ & \text{ADJUSTED MONTHLY} & & \text{(TIMES)} & & 30\% & = & & \text{MONTHLY RENT ESTIMATE} \\ & \text{INCOME} & & & & & & & \end{array}$$

Based upon this example, this family would pay \$240.00 per month for rent. Utilities may or may not be included, based upon the program resided in.

Additional adjustments to your rent may exist, including but not limited to:

- If you are required to pay heat, electric, and water, then you may receive a utility allowance to assist you in paying your utility bills.
- There may be a minimum rent requirement. Minimum rent is \$25 or less for all programs. This amount is subject to change.
- Certain programs offer a Flat Rent option in which rent is based on a percentage of the market rent rate charged for comparable units in the private unassisted rental market and will not increase or decrease as changes in income occur.

For more information on rent calculations, visit the following US Department of Housing & Urban Development handout: www.hud.gov/offices/pih/programs/ph/rhiip/rhiip_factsheet.pdf