

A utility allowance is a rent supplement from the HA that will help you pay for basic utilities, such as water and gas. You can only get this extra help if your lease says that **you**, and not your landlord, must pay for these services.

The amount of the utility allowance depends on the size of your unit. The utility allowance is included in the HAP payment to your landlord and will make your rent share go down. You will not be eligible for help with utilities unless you rent a unit that is lower priced than your payment standard!

Example ~

Betty rents a unit for \$1,600. She pays for all her own utilities, which cost her \$150 per month. Betty must pay \$351 in rent, based on income. The HA offers Betty a \$93 rent supplement (\$1,693 minus \$1,600) to cover her utility costs. Betty's rent is \$351 minus \$93 = **\$258**

### 10. What if I have ZERO income?

The minimum rent is \$50. But if this is a hardship for you to pay, ask the HA for an exemption. You will have to complete a "Declaration of No Income" and the HA will decide whether it can waive the \$50 rent requirement for you.

**CALL THE LEGAL AID SOCIETY OF  
SAN MATEO COUNTY  
IF YOU HAVE OTHER QUESTIONS  
ABOUT HOUSING OR YOUR  
SECTION 8 VOUCHER  
(650) 558-0915 or 1-800-381-8898**

[www.legalaidsmc.org](http://www.legalaidsmc.org)

This pamphlet is designed to provide general information on the law, which may change. If you have a specific legal problem, you should contact a lawyer for advice or assistance.

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LEGAL AID SOCIETY  
OF SAN MATEO COUNTY

## Section 8 Vouchers: Calculating Your Rent



Prepared by the  
Legal Aid Society of  
San Mateo County

May 2006

## RENT CALCULATION STEPS:

### 1. Calculate your gross annual income. Includes:

- Employment wages
- Public benefits
- Child support
- Unemployment
- Disability benefits
- Income from assets (e.g. interest on a savings account)

Take an average of your income if it changes from month to month.

Example ~

Betty earns \$10,000 a year at her job and \$5,000 in child support. Gross income = **\$15,000.**

### 2. Calculate deductions. Examples:

- \$400 for disabled head of household
- \$480 for each child under 18
- Earned Income Tax Credit
- Out of pocket medical costs, if over 3% of household income
- Child care expenses (some)

Example ~

Betty has 2 young kids.  
Deductions are  $480 \times 2 =$  **\$960.**

### 3. Calculate net income.

Gross income minus deductions = Net income.

Example ~

Betty's net income is  
 $15,000$  minus  $960 =$  **\$14,040**

4. Calculate 30% of your net income and divide by 12 months. This is your approximate monthly rent share. However, it may go up or down, depending on whether the total rent for your unit is above or below your payment standard.

Example ~

Betty's monthly net income is  
 $14,040 \times .30 = 4,212$   
Betty's rent share is  $4,212 / 12 =$  **\$351**

### 5. Calculate unit size for your family:

Family Size	Number of bedrooms
1 to 2 people	1 Bedroom
3 to 4 people	2 Bedrooms
5 to 6 people	3 Bedrooms
7 to 8 people	4 Bedrooms

Example ~

Betty has 3 people in her family.  
Her unit size is **2 bedrooms.**

### 6. Calculate the payment standard for your family's unit size:

Definition: The payment standard is the highest subsidy amount the HA will give you to rent a unit for your family size.

Number of bedrooms	Payment standard*
Studio	\$1,100
1 bedroom	\$1,352
2 bedrooms	\$1,693
3 bedrooms	\$2,261
4 bedrooms	\$2,389

\* Valid as of October 2004. Payment standards change often.

Example ~

Betty's payment standard is **\$1,693.**  
She should look for unit at or below this price.

7. Calculate the HA contribution to your rent. This is called the Housing Assistance Payment ("HAP") and it goes directly to your landlord.

Your payment standard minus your monthly rent share in #4 (30% of net income divided by 12) = HAP payment

Example ~

HAP for Betty is  $1,693$  minus  $351 =$  **\$1,342**

8. What if I rent a unit that is more expensive than my payment standard allows?

If you rent a unit that is more expensive than your payment standard, you will pay out of pocket the amount between your payment standard and your actual rent.

Example ~

Betty rents a unit for \$1800.  
She will pay \$351 in rent based on her income.  
She will pay an extra \$107 in rent ( $1800$  minus  $1693$ ) because she went over the payment standard. Total rent = **\$458**

9. What if I rent a unit for a lower price than my payment standard?

If you rent a less expensive unit than your payment standard allows, you may be eligible for a **utility allowance** from the HA.