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CHAPTER 9

RENT REASONABLENESS

9.1 CHAPTER OVERVIEW

PHAs must ensure that rents charged by owners to housing choice voucher program participants are reasonable. This determination involves two comparisons. First, the PHA must compare the rent for the voucher unit to rents for similar unassisted units in the marketplace. Second, the PHA must compare the rent to rents for similar units on the premises.

Ensuring rent reasonableness is very important for effective program operations. If a PHA approves rents that are too high, government funds are wasted, limited housing subsidies are squandered, and speculators may exploit the program to outbid potential homeowners. If rents are approved at levels lower than comparable units in the private market, the better owners do not participate in the program, or they participate only with their lowest-cost and lowest-quality units. In addition, families may be inappropriately restricted in where they can live.

Doing a good job of determining rent reasonableness is especially critical when a PHA uses its authority to set a payment standard higher than the FMR for all or a portion of its jurisdiction. Some owners will apply pressure to increase their rents to, or closer to, the payment standard. PHAs must be careful to not overpay, or the effect will inflate rents in a whole portion of the market.

9.2 PROGRAM REQUIREMENTS

When Rent Reasonableness Determinations Are Required

PHAs must determine rent reasonableness in all of the following four instances:

- *Before entering into a HAP contract.* A PHA must not execute a HAP contract until it has documented that the charged rent is reasonable.
- *Before any increase in the rent to owner.* Before the PHA may approve any rent increase to the owner, the PHA must determine and document whether the proposed rent is reasonable compared to similar units in the marketplace and not higher than those paid by unassisted tenants on the premises.
- *If there is a five percent decrease in the published FMR (for the unit size rented by the family) in effect 60 days before the contract anniversary date as compared with the FMR in effect one year before the contract anniversary date.* This provision is designed to ensure that when the market goes down by a significant amount (i.e., a five percent or more reduction in the FMR) the PHA must reexamine rent reasonableness at the contract anniversary date, even if the owner does not propose a rent increase. When determining if this provision applies, the PHA must compare the FMR in effect 60 days prior to the

upcoming HAP contract anniversary date with the FMR in effect one year before the upcoming anniversary date.

FIVE PERCENT DECREASE IN FMR	
HAP Contract Anniversary Date:	12/01/01
New FMR Effective Date:	10/1/01
Old FMR:	\$500
New FMR:	\$475
<i>Is Effective Date of new FMR 60 days or more before the contract anniversary date?</i>	
Yes. 31 days October + 30 days November = 61 days	
<i>Is the decrease in the FMR equal to or greater than five percent?</i>	
Yes. $\$500 - \$475 = \$25$ ($500 \times .05$) = \$25	
In this example, the decrease from \$500 to \$475 represents a five percent decrease and would activate the provision. If the FMR decreased from \$500 to \$480, no rent reasonableness determination would be required. The PHA could choose, however, to initiate a review of rent reasonableness.	

- *If directed by HUD.* If HUD has reason to question the PHA's system or the accuracy of the determinations, it may require the PHA to conduct rent reasonableness reviews on all or a portion of its units.

In addition to the four instances cited above, the PHA may also determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to the owner may not exceed the most recently determined or redetermined reasonable rent amount.

Comparability

In conducting rent reasonableness, the PHA must determine whether the rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. In determining comparability, the PHA must consider:

- Location, quality, size, unit type, and age of the contract unit, and
- Amenities, housing services, maintenance, and utilities the owner must provide under the lease.

Rent Control

In addition to rent reasonableness requirements, state or local rent control limits rents may regulate rents. In regulated localities, rents are limited to the lesser of the PHA-determined reasonable rent or the rent controlled amount unless units leased under the voucher program are exempt from local rent control under the local rent control ordinance.

Owner Certification of Rents Charged for Other Units

By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units on the premises. The owner must provide information requested by the PHA on rents charged by the owner for other units on the premises. The language of the HAP contract states this requirement.

Documenting the Rent Reasonableness Decision

In each case where the PHA is required to determine rent reasonableness, it must document its decision and the basis for it (i.e., information on the unassisted units compared) in the tenant's file. This documentation should identify who conducted the rent reasonableness determination and when.

9.3 DEVELOPING AND MAINTAINING A DATABASE OF UNASSISTED UNITS

Identifying the Population of Rental Units

Whether a PHA is conducting its own survey, developing a request for proposals to hire a third party to conduct a survey, or evaluating an existing database, it must first have a clear understanding of where the rental housing is located in the community. This knowledge of the rental market helps to ensure that the database includes a representative number of affordable units in the local market and each submarket.

Census data, which is available from the HUD Communities 2020 database, can be used to identify the location and type of rental housing throughout the market area. Census rent data may be dated, but the information about the location and type of rental housing should still be useful. From the census data, PHAs may create a table that identifies, by census tract (or group of census tracts that make up a neighborhood or distinct submarket area), the number of units by bedroom category and by unit type. This can help in determining whether the data collected is representative of the rental market. It can also help direct sample design or efforts to enhance an existing database. (See Exhibit 9-1, *Sample Survey Form for Unassisted Units*.)

In some localities, rental property listings may be available from licensing or taxing authorities. Although it is not typical, some localities license all rental properties. Other localities only license properties with four or more units, 12 or more units, and so forth. Many do not license or do not maintain an automated list of licensees. Where licensing does occur, obtaining a list of these units by location, size and type can provide a picture of the overall rental market.

Utilizing Existing Studies and Databases

Some PHAs will be able to obtain access to existing studies of rents in their communities; however, such studies frequently do not have all the detailed information required for rent reasonableness comparisons. Some local governments conduct such surveys to assist with

planning activities, and in some larger communities, commercial firms may conduct these surveys. Often local associations of rental owners and managers survey their members periodically and publish the results. Many of these surveys report average rents and/or rent ranges by bedroom category and submarket location.

When using these studies, it is very important to understand what is and what is not included in the rent reported. Some studies report rents with all utilities included, some without any utilities included, and others with only the most typical set of utilities included. In order to compare unassisted units with program units, it is important to make the necessary adjustments so that utilities are treated consistently. Many of these existing surveys are designed to show the overall picture of the rental market and may not be very useful in evaluating the rent for a particular unit type.

Creating a Database

Many PHAs conduct, hire a firm to conduct, or partner with another organization to fund or conduct periodic surveys of the rental market. It is important to recognize that PHAs typically need more detailed information about the units and developments than other users of the data. For example, local governments may be more interested in the average and range of rents than they are in comparing rents for similar units in the same neighborhood.

When designing its own survey, the PHA should consider how it will obtain the information on all nine factors for comparing units. Some suggestions:

- *Focus on currently vacant units or units leased within the past two years.* The key for rent reasonableness is to be able to compare the rents for proposed program units to the rents for units currently or very recently placed on the market. To include rents for units occupied for several years is likely, in most markets, to understate the rents new tenants will have to pay. On the other hand, in some communities the asking rent is frequently higher than the actual rent owners are willing to accept. In those communities, the PHA should also obtain information on the actual rents for recently rented units to determine the actual market rent for the comparable units.
- *Collect information on rents above the PHA's payment standard.* Voucher families may choose to rent units above the payment standard. As a rule of thumb, the PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards.
- *Share rent reasonableness data with PHAs with overlapping jurisdictions.* If a PHA's jurisdiction overlaps with that of another PHA, or if two PHAs agree to follow their participants into the other's jurisdiction, both must obtain sufficient data to make an informed rent reasonableness determination in the other jurisdiction. In this and other situations of overlapping jurisdictions, it may benefit all parties and provide more consistency for owners and tenants if the PHAs collaborated in the area of rent reasonableness. Options include sharing rent reasonableness databases or making fee arrangements whereby the "receiving"

PHA conducts inspections and rent reasonableness for the initial PHA. This avoids having different HQS and rent reasonableness standards applied in one jurisdiction and it avoids formal portability processing.

Sources of Rental Information on Vacant Units

The following identifies sources of information on vacant units within the market. The discussion is divided between larger complexes, which almost always advertise vacancies and always have a current rent, and smaller complexes and single family homes, where a new market rent is only determined when a vacancy occurs, and vacancies may occur infrequently.

Data on Larger Complexes

In many ways, it is easier to obtain information on larger complexes. They often advertise, have vacant units or anticipate vacancies almost all the time, have a current rent established for each unit type, and are accessible during working hours, either at a management office or an on-site office. The following describes some sources of information on these developments.

In most metropolitan areas, larger complexes are listed on one or more internet sites as well as in local newspapers. Typically, these sites advertise units for prospective tenants, both locally and to persons planning to move to that community. Many provide a considerable amount of information about rents, utilities, amenities and other factors. Some provide photographs and floor plans on the internet and some have video tours of the development or a sample unit. Although valuable resources, newspaper and internet listings seldom provide all the information the PHA needs to meet rent reasonableness requirements. These listings usually require a follow-up call to obtain the missing information, but this is typically a much shorter call because of the information available in the advertising.

Newspaper and internet listings often contain either the lowest rent or the range of rents when rents vary among units with the same number of bedrooms. The PHA can follow-up to determine what causes the rents to vary (e.g., unit size, location in the development, number of bathrooms, amenities), and record each configuration as a separate comparable.

The following are websites that provide rental listings for many parts of the country. In addition, most of the major web browsers provide access from their home page to one or more rental housing listing services.

- www.apartmentguide.com
- www.apartments.com
- www.forrentmag.com

This is the website for the *Apartments for Rent* magazines that are available in many communities throughout the country.

- www.rent.net
- www.springstreet.com
This site is also reachable through www.allapartments.com.

While there is some overlap, it is typical that an apartment complex or a management company will choose to pay to have their development(s) listed on only one of these sites.

In addition to printed rental ads, many newspapers now post their ads on the internet. Almost all newspaper ads will require follow-up phone calls to obtain the details needed for rent reasonableness comparisons.

Data on Smaller Complexes

Obtaining information on single family home rentals and small developments is often more difficult. Many of these owners are harder to reach since many only respond to inquiries during evenings and weekends. Most list only when they have a vacancy and are only willing to provide information when a unit is available. Because of this difficulty, some PHAs ask owners with single family or small development rentals who lease units under the housing choice voucher program to provide information about any non-program units they may operate in the PHA's jurisdiction that can be added to the database.

In addition to lists of properties licensed as rental units, and lists of owners who lease in the housing choice voucher program and may have other available unassisted units, the following are potential sources of information:

- Newspaper ads (including internet versions of newspaper ads);
- Weekly or monthly neighborhood or shopper newspapers that have rental listings;
- "For Rent" signs in windows or on lawns;
- Bulletin boards in community locations, such as grocery stores, laundromats, churches, and social service offices; and
- Real estate companies that handle rental property.

The best sources vary from community to community. PHAs must learn how owners of smaller developments market their vacant units in order to locate them for comparability and to recruit new owners to the program.

Updating the Database

Large Complexes

For large complexes with internet or detailed newspaper listings, it is often possible to update the rent information simply by viewing the current internet listing. Typically, the only thing that will have changed is the rent. This enables the PHA to update the rent without having to call the owner or manager. However, if the change in rent seems unusual (i.e., an increase or decrease that is disproportionate to changes for similar units), the PHA should contact the site to determine if other changes have occurred since the last update. For example, a larger than expected increase might result if there has been a major remodeling or if utilities have been shifted from the tenant to the owner. A reduction, or smaller than expected increase, might result if utilities have been transferred from the owner to the tenant.

By updating these listings periodically, PHAs may be able to avoid having to conduct a more expensive, comprehensive survey. The work involved in updating the database could be spread out (e.g., geographically or by listing site) with some updating occurring each month. PHAs should always indicate in their documentation the date of the data collection, so that they know how old it is when using or updating the data.

How often the data should be updated depends upon market conditions. In some communities, it may be adequate to update the information every two years. For rapidly changing markets, however, it may be appropriate to update the database quarterly.

Smaller Developments

For smaller complexes, updating the rent on a unit now in the database may be much more difficult and possibly less useful. Owners are likely to be much less willing to provide updated information if they have no vacancies. In addition, if they have no vacancies, the rents for current tenants may reflect tenancy discounts rather than what the owner would charge if the unit became vacant. In cases where follow-up is conducted, the PHA should identify how long any existing tenant has been in the unit to help gauge how relevant this rent is compared to what a tenant would have to pay to compete for a vacant unit. In some markets, there may be very little difference, but in many markets and for many owners, tenants who have been in the unit and paying rent for a period of time are considered a lesser risk requiring less rent than a new tenant. In addition, an owner may be willing to charge less for a “bird in the hand,” particularly considering the costs of turnover. So owners often try harder to keep current tenants happy, particularly in a high vacancy market.

Because of the difficulty in going back to the same units, PHAs may want to consider this part of their database to be a “rolling” database to which they continually add new vacant rentals and drop outdated entries, particularly if they experience difficulty in obtaining updates for leased units.

Some PHAs assign staff to follow-up on all newspaper listings for these smaller complexes every week. Other techniques include encouraging staff, particularly inspection staff, to look for “For Rent” signs at smaller developments. The PHA may wish to assign staff to follow-up by telephone to get all the needed information to add these units to the database.

PHAs should be cautious about adding some smaller complexes to the database, particularly single family homes rented by owners who have few other rental properties. Sometimes these owners are not aware of, or concerned about, the true market value of their units and set a price based upon their costs. For example, they may set the rent to cover their costs from a nearly paid off mortgage plus a little profit and reserve; this may be well below the market rate. Including these units in the database can cause the PHA to inappropriately restrict rents for other units that are being offered at a market rate.

If the PHA uses this rolling database approach, it is constantly updating its database and may be better able to recognize the start of trends in rent changes in the market quite early. The objective is to know the market well enough to make the best judgment possible in reviewing the rent of a unit.

PHAs should have a standard form for collecting the data on unassisted units that includes all the needed information under the regulations. Exhibit 9-1 provides a sample form.

9.4 COLLECTING THE NEEDED DATA ON PROGRAM UNITS

In order to compare program units to market units, it is necessary to collect comparable information on the program units. Some of the data is routinely collected at the inspection of the unit, but many PHAs do not collect information on all nine factors.

The request for tenancy approval and inspection typically contains the information on the rent being charged, the utilities and their source that must be paid by the tenant, and the type, size and condition of the unit. But many PHAs do not collect information on all features of the unit and complex, including amenities and facilities.

Exhibit 9-2, *Rent Reasonableness Data for Program Unit*, provides a sample form designed to collect information on all items. A PHA should consider adding any data not now collected during its inspection process to existing forms or adding the data to a supplemental form for new units. The PHA may wish to add this information to an automated record for the unit in order to retain it for future rent reasonableness comparisons for that unit. The inspector should print out the information prior to the next inspection to determine if any changes to the unit have occurred before determining rent reasonableness for a rent increase or for a new tenant in the unit.

9.5 MAKING AND DOCUMENTING THE RENT REASONABLENESS DETERMINATION

Most PHAs’ markets contain important submarkets (i.e., the same housing unit would rent for a different amount in a different location within the PHA’s jurisdiction). Therefore, it is important

for PHAs to make these submarket distinctions and to obtain data on each submarket that includes rental units within the range of affordability to voucher holders.

Not all of the factors that HUD requires PHAs to review have the same effect on rents, and there is considerable variation on what is important from market to market. However, the three most important factors in explaining differences in rents are the location of the unit, number of bedrooms in the unit, and type of unit (e.g., highrise, garden apartment, duplex, single family home). Other factors have varying importance for rent depending upon the marketplace. It is important for a PHA to really understand what affects rents in its market. In some markets a feature might affect the rent, but in another it might only affect the desirability of the unit; this desirable feature might result in it renting faster but not in more rent. PHAs should focus on the items that really affect rents.

Point and “Dollars Per Feature” Systems

Some PHAs use systems that attempt to summarize the features of a unit using a number system. Some select first for location and number of bedrooms (and perhaps also building type) and then compare points designed to cover the other aspects of the variables for comparison. These can be very effective if the points really reflect differences for which owners are able to charge more rent. However, PHAs must be careful not to assign points to elements that may make a unit more desirable but do not result in a higher rent. There are two aspects to an owner’s gross income from a rental unit: the rental rate and the occupancy rate. Some features translate to higher rent and others may be important for maintaining a high occupancy rate. Having a feature that allows the unit to be leased faster and stay leased more of the time is of great value to the owner, but it does not justify a higher rent.

Knowing what really affects rents requires considerable knowledge of the rental market. PHAs that would like to use such a system may wish to interview some local experts on the rental market. Through a series of interviews the PHA should be better able to distinguish what features affect rents and those that increase desirability but do not affect rents. Such interviews may prove most productive if conducted by a panel of PHA staff.

A similar caution should be applied to rent reasonableness systems that add dollars for certain features (e.g., \$5 for a second bathroom). PHAs should make sure that the value it places on a feature is accurate, either through comparison of multiple rents in the marketplace, or by interviewing experts. It is very easy to add dollars for features that do not really result in increased rents, or only result in an insignificant increase.

Compare to Specific Units

Often, a rent reasonableness determination is not a simple process. PHAs should focus their considerations on the factors that affect rent rather than try to measure against an arbitrary standard of average rents. The danger in a standard is that poorer quality units are likely to be overpaid and higher quality units underpaid. In addition, ranges or averages should be determined for the submarket areas within the marketplace. The broader the area for the range or

average, the more likely is an under/overpayment for particular units. It is better to compare to specific units.

Once the staff member has identified the units most comparable to the program unit, the staff member should place information on the comparable units in the file. Exhibits 9-3, *Sample Comparison of Program and Comparable Units* and Exhibit 9-4, *Suggested Format Rent Reasonableness Checklist*, provide two alternative sample forms for recording the data on the program and comparable units for placement in the tenant file. The person conducting rent reasonableness should provide sufficient information about the evaluation process so that an auditor or supervisor can understand how the comparables were used to determine the appropriate rent for the program units.

If the initial location selection provides very few units from the database, the analyst may need to expand the geographic area to include more units for comparison. However, the analyst should take into account this distance and make the best determination possible about the comparability of the units. Documentation in the file should trace the analyst's steps, analysis and conclusions.

In some cases, particularly in areas where there are few rental units, it may be hard to identify units that match on location, building type and number of bedrooms. In these cases, the analyst may need to review the database to locate units that (a) have the same number of bedrooms and building type but in a broader geographic range, or (b) have the same number of bedrooms and are in the same geographic location but are in other types of buildings. Knowledge of the comparative housing markets and general variations in price by type of building, along with some creativity, may be needed in cases where there are few direct comparables in the data base. The following example illustrates this point.

USING DATA FROM AN ADJACENT NEIGHBORHOOD

The proposed program unit is located in geographic Area A, has three bedrooms and is a garden apartment. The proposed rent is \$1,220. There are no other garden apartments in Area A in the database. If there are other garden apartments in Area A, the analyst might try to obtain information about them. However, if there are no other garden apartments in Area A, then the analyst might look at 3-bedroom single family homes in Area A and compare them with information on both garden apartments and single family homes in nearby Area B. The information found (all rents are gross rents) is:

	Area A	Area B
3-bedroom garden apartment	(none)	\$1,400
3-bedroom single family home	\$1,400	\$1,600

The single family homes in Area B (that are similar to those in the database for Area A) are about 14 percent higher than garden apartments in Area B. If one estimates a rent for a garden apartment in Area A that is 14 percent below that of the single family homes in Area A the result is \$1,228. Assuming the other factors for comparison are generally equal, this should provide one indication that the proposed rent is comparable.

Value of Accessibility

For the family that requires an accessible unit, the accessible features may justify a higher rent. For such families, the rent reasonableness determination must take those features into account. In a community where there are few such units, the PHA may be justified in allowing a higher rent.

Units with Other Forms of Subsidy

In properties subsidized by the federal government through programs such as the FHA Section 221(d)(3), Section 236, and the direct loan Section 202 programs or the Rural Development Administration's Section 515 program, the rent to owner is always the subsidized rent approved by the appropriate agency of the federal government. For example, in a Section 236 property the rent to owner is the HUD approved basic rent for the unit. This rent will always be lower than the full market rent for the unit. It is important that PHAs do not include these types of units in their databases for comparability purposes.

9.6 STAFFING THE RENT REASONABLENESS FUNCTION

The rent reasonableness function is performed by a wide variety of positions at various PHAs. In smaller PHAs, it may be conducted by the program director. The inspectors, the inspection supervisor, the occupancy specialists, case managers, or their supervisor, may all determine rent reasonableness. Some larger PHAs have created a more specialized market analyst position that is responsible for rent reasonableness. In some cases rent reasonableness may be determined by one position for new units but by another for rent increases.

There should be written guidance describing how the database will be maintained and how rent reasonableness determinations will be made and documented. Clear performance standards should be set and there should be monitoring and quality control throughout the year, with training and feedback regarding both good and inadequate performance.

9.7 QUALITY CONTROL

PHAs should implement a program of quality control reviews of rent reasonableness decisions. The review should also ensure that all determinations are consistent with PHA procedures and properly documented in the files. If the PHA assigns responsibility for maintaining the database, it should also require periodic reviews of the size and representation of the database in comparison to established PHA standards.

It is important for program managers to remain involved in the rent reasonableness process and to ensure that staff are performing in accordance with PHA and HUD requirements. If this function is not closely monitored, it is possible to establish an adversarial or cozy relationship with the owners. If staff members receive their performance evaluations entirely upon how happy the owners are, it may be too easy to approve higher rents to achieve that measure. If they

are evaluated on how low the rents are, then an adversarial relationship or arbitrarily low rents may result.

9.8 SEMAP

SEMAP Indicator 2, Reasonable Rent, measures whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based upon current rents for comparable unassisted units. The voucher program rule requires that the PHA's system for determining comparability and reasonable rent take nine factors into consideration: location, size, type, quality and age, amenities, housing services and maintenance, and utilities provided by the owner under the lease.

Each fiscal year, the PHA must draw a random sample of participant files in order to document evidence that the PHA has followed its procedures and that each rent to owner is reasonable. This quality control review must examine rent reasonableness documentation for each time during the fiscal year that a unit in the sample was leased or received a rent increase. There must also be rent reasonableness documentation if there was a five percent decrease in the FMR in effect 60 days before the HAP contract anniversary for any unit.

The current SEMAP Indicator 2 evaluates only the process of determining rent reasonableness. At this time, HUD cannot accurately measure whether or not the rents being charged by owners are actually reasonable through SEMAP or from any national database. It is important for PHAs to realize that, even though HUD only evaluates the process, ensuring the reasonableness of rents owners charge is a critical management function. It is possible for a PHA to have a system that contains the elements to achieve a passing score on SEMAP without really doing a good job of determining rent reasonableness. The real key to successful program operation is to have the data, experience, and knowledge of the housing market necessary to make an informed and careful judgement about the reasonableness of the rent.

To do this correctly, the PHA staff must have sound judgement. Arbitrary systems that set fixed limits for rents in particular areas by unit type and bedroom size are not recommended and do not meet voucher program requirements. These systems are risky because they may result in some owners being overpaid for program units, some being underpaid, and still others withdrawing from the program due to low rents.

EXHIBIT 9-1
SAMPLE FORM -- SURVEY FORM FOR UNASSISTED RENTAL UNITS

Date of Data Collection: _____ Name of Data Collector: _____

Unit Location:

Name of Building (if any): _____

Address of Unit/Building: _____

Owner/Manager Information: ___ Owner ___ Mgmt. Company ___ On-Site

Name: _____

Address: _____

Phone: _____

Building Type:

High-rise (9+ stories): _____ Elevator? ___ yes ___ no

Mid-rise (5-8 stories): _____ Elevator? ___ yes ___ no

Garden (1-4 stories): _____ Elevator? ___ yes ___ no

Townhouse: _____

Duplex: _____

Single Family House: _____

Unit Sizes and Rents:

No. Bedrooms	No. Bathrooms	Starting Rent *	Square Feet	No. of Units	No. Vacant
Total					

* Starting rent is the market-rate rent that would be charged if the unit became available today. If the building has subsidized units, be sure that the starting rent recorded is for the unsubsidized, market-rate units.

Unit Amenities Provided by Owner:

Central A/C: _____ yes _____ no

Window A/C Units: _____ yes _____ no

Carpeting: _____ yes _____ no

Dishwasher: _____ yes _____ no

Garbage disposal: _____ yes _____ no

Washer/dryer: _____ yes _____ no

W/D connections: _____ yes _____ no

Other: (specify _____) _____ yes _____ no
(e.g., balcony, patio, private fenced yard)

Are there differences in the rent charged for units of the same bedroom and bathroom size, depending upon, for example, unit location (balcony vs. patio, inside unit vs. outside unit)? Please explain.

Utility Information to Calculate Gross Rent:

Utility	Paid or Provided By:		Fuel Source		
	Owner	Tenant	Gas	Electric	Oil
Heat					
A/C					
Hot Water					
Cooking					
Electric					
Water/Sewer					
Garbage Pick-up					
Stove					
Refrigerator					

Building Age: Year building built: _____ Year last major rehab completed: _____

Quality: Check the description that best applies;

- ___ A. Newly constructed or completely renovated.
- ___ B. Well maintained and/or partially renovated.
- ___ C. Adequate, but some repairs may be needed soon. Some minor maintenance may be needed. No renovation since construction.

Building Facilities:

Playground: ___ yes ___ no Laundry Facilities: ___ yes ___ no
 Covered/Garage Parking: ___ yes ___ no Off-Street Parking: ___ yes ___ no
 Storage Outside Unit: ___ yes ___ no Community Room: ___ yes ___ no

Management and Maintenance Services (if applicable):

Is there on-site: Management staff? ___ yes ___ no
 Desk service? ___ yes ___ no
 Maintenance staff? ___ yes ___ no
 Are there other management or maintenance services available, such as a security guard or janitorial services?

Neighborhood/Location Characteristics:

What is the nearest public transportation? _____ How many blocks away? _____
 What is the nearest cross street to the unit? _____ Please note any special features of the building, unit, grounds, location or neighborhood that might help the Program Manager/Market Analyst compare this unit and its rents to other units in the area: _____

Other Information:

How many units are accessible to the disabled? ___ What bedroom size? _____
 How does the rent for accessible units differ from rent charged for regular units?

Is occupancy limited to a particular clientele (elderly, disabled)? ___ yes ___ no.
 If yes, who? _____
 Are there subsidized units in the building? ___ yes ___ no. If yes, how many? _____
 Does the owner accept housing choice vouchers? ___ yes ___ no.

EXHIBIT 9-2
SAMPLE FORM --RENT REASONABLENESS DATA FOR PROGRAM UNIT
(To be completed as part of the Unit Inspection)

Date of Inspection: _____ **Inspector's Name:** _____

Unit Location:

Name of Building (if any): _____

Address of Unit/Building: _____

Building Type:

High-rise (9+ stories): _____ Elevator? ___ yes ___ no

Mid-rise (5-8 stories): _____ Elevator? ___ yes ___ no

Garden (1-4 stories): _____ Elevator? ___ yes ___ no

Townhouse: _____

Duplex: _____

Single Family House: _____

Amenities Provided by Owner:

Central A/C: ___ yes ___ no

Window A/C Units: ___ yes ___ no

Carpeting: ___ yes ___ no

Dishwasher: ___ yes ___ no

Garbage disposal: ___ yes ___ no

Washer/dryer: ___ yes ___ no

W/D connections: ___ yes ___ no

Other: _____ yes ___ no
(e.g., balcony, patio, private fenced yard)**Utility Information to Calculate Gross Rent:**

Utility	Paid or Provided By:		Fuel Source		
	Owner	Tenant	Gas	Electric	Oil
Heat					
A/C					
Hot Water					
Cooking					
Electric					
Water/Sewer					
Garbage Pickup					
Stove					
Refrigerator					

Building Age: Year building built: _____ Year last major rehab completed: _____

Building Facilities:

Playground: ___ yes ___ no
Covered/Garage Parking: ___ yes ___ no
Off-Street Parking: ___ yes ___ no
Storage Outside Unit: ___ yes ___ no
Laundry Facilities: ___ yes ___ no
Club House: ___ yes ___ no
Pool: ___ yes ___ no

Management and Maintenance Services (if applicable):

Is there on-site: Management staff? ___ yes ___ no
 Desk service? ___ yes ___ no
 Maintenance staff? ___ yes ___ no

Are there other management or maintenance services available, such as a security guard or janitorial services?

Other Information:

Is the unit wheelchair accessible? ___ Is the unit designed or adapted with other specific features to make it accessible to disabled persons? ___ Are there differences in the rent charged for units of the same bedroom and bathroom size, depending upon, for example, unit location (balcony vs. patio, inside unit vs. outside unit)?

Location Features:

What is the closest public transportation? _____ How many blocks away? _____
What is the nearest cross street to the unit? _____

Please note any special features of the building, the unit, the location or the neighborhood that might help the Program Manager/Market Analyst in determining the reasonable rent for this unit.

Overall Quality Rating:

_____ A. Newly constructed or completely renovated.
_____ B. Well maintained and/or partially renovated.
_____ C. Adequate, but some repairs may be needed soon. Some minor maintenance may be needed. No renovations since construction. (Meets HQS standards.)

Signature of Inspector

Date:

EXHIBIT 9-3
SAMPLE COMPARISON OF PROGRAM AND COMPARABLE UNITS

Comparability Category	Program Unit	Comparable #1	Comparable #2	Comparable #3
Date data gathered				
Address				
Rent to Owner				
Utility Allowance				
Gross Rent				
Census tract				
Neighborhood				
Unit Type				
Number of bedrooms				
Number of bathrooms				
Wheelchair accessible	9	9	9	9
Year built				
Date of Most Recent Remodeling				
Quality				
Amenities:				
Central Air Conditioning	9	9	9	9
Window Air Conditioning	9	9	9	9
Carpeting	9	9	9	9
Dishwasher	9	9	9	9
Garbage disposal	9	9	9	9
Washer/dryer provided	9	9	9	9
Washer/dryer hookups	9	9	9	9
Other _____	9	9	9	9
Facilities:				
Playground	9	9	9	9
Covered/garage parking	9	9	9	9
Off-street parking	9	9	9	9
Laundry facility	9	9	9	9
Storage outside the unit	9	9	9	9
Pool	9	9	9	9
Community room	9	9	9	9
Day care	9	9	9	9
Other _____	9	9	9	9
Services:				
On-site management	9	9	9	9
Security guard(s)	9	9	9	9
Desk service	9	9	9	9
Security system	9	9	9	9
On-site maintenance staff	9	9	9	9
Other _____	9	9	9	9
Nearest public transportation				
Nearest shopping				
Notes:				

I certify that based upon information available to this office, the requested Contract Rent /_____/ is /_____/ is not reasonable in accordance with program requirements.

Name of PHA _____

Signature _____ Title _____ Date _____

**EXHIBIT 9-4
SUGGESTED FORMAT – RENT REASONABLENESS CHECKLIST**

Category of Comparison	Program Unit	Comparable #1	Comparable #2	Comparable #3
Address				
Census tract				
Neighborhood				
Number of bedrooms				
Published FMR				
Payment Standard				
Unit type				
Number of bathrooms				
Square feet				
Location: Accessibility to Services (List)				
Quality				
Amenities (List)				
Facilities (List)				
Date built				
Management and Maintenance Services (List)				
Rent to owner				
Utility allowance				
Gross rent				
Notes on Comparability				

I certify that based upon information available to this office, the requested Contract Rent /_____ / is /_____ / is not reasonable in accordance with program requirements.

Name of PHA _____

Signature _____ Title _____ Date _____