

Rent Reasonableness

July 1, 2023



DC HOUSING AUTHORITY

Background

PHAs are required to:

- Complete a market study annually;
- Set a payment standard annually;
- Update the utility allowance schedule annually; and
- Complete a unit by unit rent reasonableness analysis.

DCHA completed a market study in August 2022 and in September 2022, the Board passed a resolution setting the payment standard at 187% of FY2023 FMR. The payment standard reflects the maximum amount of subsidy that can be paid on behalf of a tenant.

Rent Reasonableness

- HUD requires that PHAs ensure rents charged by owners to Housing Choice Voucher Program participants are reasonable
- PHAs must compare the requested rents for voucher assisted units to rents for similar unassisted units in the marketplace to determine what is reasonable



Location



Size



Amenities



Utilities

AffordableHousing.com's Tool

- DCHA has selected AffordableHousing.com to complete rent reasonableness assessments
- Used by nearly 1,000 Public Housing Authorities (PHA) across the country including other large PHAs
- Comparable database includes more than 150,000 units in the DC market updated daily
- Free public version of the website at AffordableHousing.com



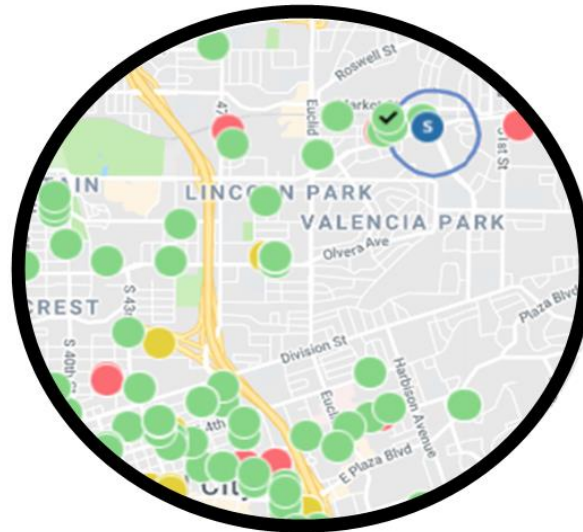
AffordableHousing.com's Tool

Numerous Reliable Sources Populate the Comparable Database

Leading Websites



Software



Agency and Owners



Large data sample ensures accurate valuations to the unit level similar to a real estate appraisal

Housing Choice Voucher Rents

- The software takes into account the factors outlined in 24 CFR 982.507(b), which will be part of the RFTA moving forward
- DCHA has revised the Request for Tenancy Approval (RFTA) packet to include features and amenities

Features and Amenities:	
Indoor	<input type="checkbox"/> Ceiling Fans <input type="checkbox"/> Cable Included
Laundry Type	<input type="checkbox"/> W/D Hook-ups <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Washer <input type="checkbox"/> Dryer <input type="checkbox"/> Onsite Laundry
Kitchen	<input type="checkbox"/> Dishwasher <input type="checkbox"/> Stove <input type="checkbox"/> Garbage Disposal <input type="checkbox"/> Refrigerator <input type="checkbox"/> Microwave
Outdoor	<input type="checkbox"/> Swimming Pool <input type="checkbox"/> Gated Community
Parking	<input type="checkbox"/> 1 Car Carport <input type="checkbox"/> 2 Car Carport <input type="checkbox"/> 1 Car Garage <input type="checkbox"/> 2 Car Garage <input type="checkbox"/> 3 Car Garage <input type="checkbox"/> None <input type="checkbox"/> Unknown
Maintenance	<input type="checkbox"/> Trash Pickup Included <input type="checkbox"/> Lawn Care Included <input type="checkbox"/> Pest Control Included
Exterior	<input type="checkbox"/> Balcony

Request for Tenancy Approval
Housing Choice Voucher Program

U.S Department of Housing and
Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
exp. 7/31/2022

The public reporting burden for this information collection is estimated to be 30 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The Department of Housing and Urban Development (HUD) is authorized to collect the information on this form by Section 8 of the U.S. Housing Act (42 U.S.C. 1437f). Form is only valid if it includes an OMB Control Number. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in accordance with applicable law.

When the participant selects a unit, the owner of the unit completes this form to provide the PHA with information about the unit. The information is used to determine if the unit is eligible for rental assistance. HUD will not disclose this information except when required by law for civil, criminal, or regulatory investigations and prosecutions.

1. Name of Public Housing Agency (PHA)			2. Address of Unit (street address, unit #, city, state, zip code)		
3. Requested Lease Start Date	4. Number of Bedrooms	5. Year Constructed	6. Proposed Rent Amt	7. Security Deposit Amt	8. Date Unit Available for Inspection
9. Structure Type			10. If this unit is subsidized, indicate type of subsidy:		
<input type="checkbox"/> Single Family Detached (one family under one roof) <input type="checkbox"/> Semi-Detached (duplex, attached on one side) <input type="checkbox"/> Rowhouse/Townhouse (attached on two sides) <input type="checkbox"/> Low-rise apartment building (4 stories or fewer) <input type="checkbox"/> High-rise apartment building (5+ stories) <input type="checkbox"/> Manufactured Home (mobile home)			<input type="checkbox"/> Section 202 <input type="checkbox"/> Section 221(d)(3)(B)MIR <input type="checkbox"/> Tax Credit <input type="checkbox"/> HOME <input type="checkbox"/> Section 236 (insured or uninsured) <input type="checkbox"/> Section 515 Rural Development <input type="checkbox"/> Other (Describe Other Subsidy, including any state or local subsidy)		
11. Utilities and Appliances The owner shall provide or pay for the utilities/appliances indicated below by an "O". The tenant shall provide or pay for the utilities/appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and provide the refrigerator and range/microwave.					
Item	Specify fuel type				Paid by
Heating	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottled gas <input type="checkbox"/> Electric <input type="checkbox"/> Heat Pump <input type="checkbox"/> Oil <input type="checkbox"/> Other				
Cooking	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottled gas <input type="checkbox"/> Electric <input type="checkbox"/> Other				
Water Heating	<input type="checkbox"/> Natural gas <input type="checkbox"/> Bottled gas <input type="checkbox"/> Electric <input type="checkbox"/> Oil <input type="checkbox"/> Other				
Other Electric					
Water					
Sewer					
Trash Collection					
Air Conditioning					
Other (specify)					
					Provided by
Refrigerator					
Range/Microwave					

Previous editions are obsolete 1 HUD-52517 (7/2019)

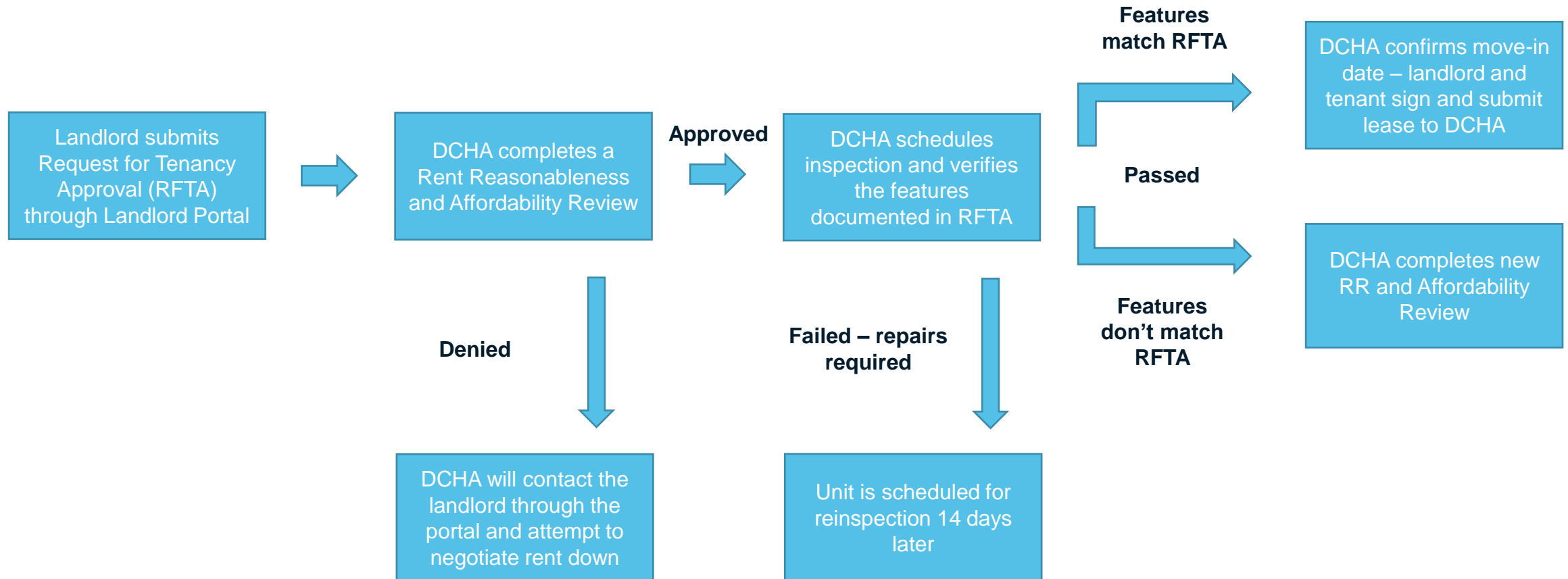


Utility Allowances

- DCHA contracted with a nationally certified industry expert to complete a Utility Allowance study – this will be effective July 1, 2023
- The UA schedule is part of the tenant rent and the subsidy calculation completed when executing a new contract
- DCHA applies the allowance based upon who is obligated to pay specific utilities
- Utility schedules for (1) single family detached; (2) duplex, attached, apartment w/ 2-4 units, garden apartment, (3) apartments with 5 or more units and high rises

Locality: Washington DC (DCA airport)		Unit Type:	Single Family Detached					7/1/2023
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas *	\$39	\$45	\$51	\$58	\$64	\$71	
	b1. Electric	\$32	\$39	\$45	\$51	\$57	\$63	
	b2. Heat Pump	\$11	\$14	\$16	\$18	\$20	\$22	
	c. Oil	\$116	\$136	\$155	\$174	\$193	\$213	
	d. Propane/LPG	\$98	\$114	\$130	\$146	\$162	\$178	
Cooking	a. Natural Gas *	\$3	\$3	\$3	\$3	\$3	\$3	
	b. Electric	\$3	\$5	\$7	\$10	\$12	\$14	
	c. Propane/LPG	\$7	\$12	\$18	\$23	\$29	\$34	
Other Electric/Lighting (includes monthly charge)		\$35	\$47	\$58	\$69	\$80	\$91	
Air Conditioning		\$4	\$12	\$19	\$26	\$33	\$40	
Water Heating	a. Natural Gas *	\$8	\$14	\$20	\$26	\$32	\$39	
	b. Electric	\$11	\$15	\$20	\$24	\$28	\$33	
	c. Propane/LPG	\$19	\$35	\$51	\$66	\$82	\$97	
	d. Oil	\$23	\$42	\$61	\$79	\$98	\$116	
Water & Sewer		\$78	\$97	\$138	\$201	\$265	\$329	
Trash		\$0	\$0	\$0	\$0	\$0	\$0	
Range/Microwave		\$7	\$7	\$7	\$7	\$7	\$7	
Refrigerator		\$7	\$7	\$7	\$7	\$7	\$7	
Monthly charge for <u>any</u> use of natural gas *		\$15	\$15	\$15	\$15	\$15	\$15	

Process Map



Rent Increases

DCHA must complete a rent reasonableness assessment for each rent increase

- Landlords may request a rent increase for units that (1) have an up to date passed inspection and (2) have been occupied by the participants for at least 12 months.
- If at the time of the request, the Agency determines the rent is not reasonable, DCHA is required to adjust the rent downward

Housing Choice Voucher Program
Owner Portal

Home My Account ▾ Inspections ▾ **Finance ▾** Moves ▾ Resources

QUICK LINKS

- Inspection Appointments
- Moves Tracker
- Inspection Results
- View My Payments

View My HAP Statements
Request a Rent Increase
Rent Increase Tracker
View My Abatements
View My 1099
Change Direct Deposit Info
Payment Holds

Welcome to DC Housing Authority's Housing Choice Voucher

We value your partnership and want to ensure our team is available to participants or landlords to connect directly with DCHA staff in person.

Rent Increases

- New contract rents will take effect the first of the month following 60 days after DCHA receipt of owner's request and the tenant is notified
- You must create an account in the owner's portal to request a rent increase

A new lease is not required.

Rent Increases

The new rent to the landlord is the lesser of the reasonable rent and the requested rent.

Tenant has been in the unit for at least 12 months	✓
Inspection passed and is current	✓
Current contract rent	\$2,000
Amount requested by landlord	\$2,500
Rent reasonableness maximum as determined by DCHA	\$2,437
New rent to the landlord	\$2,437