

HOUSING AUTHORITY OF MALHEUR AND HARNEY COUNTY  
959 FORTNER STREET, ONTARIO, OR 97914  
PHONE: (541) 889-9661; FAX: (541) 889-6487

ANNUAL REQUEST FOR LANDLORD INFORMATION ON PROPERTY RENTALS

Dear Landlord:

HUD requires the Housing Authority of Malheur & Harney County to determine that rents for units under the Section 8 Housing Choice Voucher Program are reasonable when compared to comparable unassisted units in the market area.

No HAP contract can be approved until the HAMHC has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. The following attached policy from our administrative plan for the Housing Choice Voucher Program explains the method used to determine whether a unit's rent is reasonable.

Attached are forms that we are requesting from all landlords to list **ALL** of their rental units and return these forms back to our office either via mail, fax or by email at [kristyrodriguez@cableone.net](mailto:kristyrodriguez@cableone.net) This is necessary to have as we have experienced negative feedback from HUD for not having rent reasonableness done. This has been done in the past, but not within the last few years, and it is mandatory to update these records annually to keep our program running. **PLEASE FILL OUT THE FORMS FOR ALL RENTALS THAT YOU HAVE REGARDLESS IF THEY ARE RECEIVING SECTION 8 RENTAL ASSISTANCE OR NOT. THIS IS HOW THE SURVEY SHOULD BE DONE.**

Please take the time to fill out the enclosed forms. Enclosed are 5 blank forms that are front and back for you to list your units. The more units that we have, the better. If you need more, please contact us to provide you with additional copies. We sincerely appreciate all of the surveys to be returned back to us no later than **November 15<sup>th</sup>, 2019**. If anyone has any questions, please feel free to contact me at ext. 111 or the email indicated above.

Thank you for your assistance,

Kristy Rodriguez  
Executive Director

EQUAL HOUSING OPPORTUNITY

### **PART III: RENT REASONABLENESS [ 24 CFR 982.507]**

#### **8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED**

##### **Owner-Initiated Rent Determinations**

The HAMHC must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The HAMHC (or independent agency in the case of HAMHC- owned units) will assist the family with the negotiations upon request. At initial occupancy the HAMHC must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

##### **HAMHC Policy**

**After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the HAMHC may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises the HAMHC will consider unit size and length of tenancy in the other units.**

**The HAMHC will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.**

**All rent adjustments will be effective the first of the month following 90 days after the PHA's receipt of the owner's request or on the date specified by the owner, whichever is later.**

##### **PHA- and HUD- Initiated Rent Reasonableness Determinations**

HUD requires the HAMHC to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the HAMHC to make a determination at any other time. The HAMHC may decide that a new determination of rent reasonableness is needed at any time.

##### **HAMHC Policy**

**In addition to the instances described above, the HAMHC will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the HAMHC determines that the initial rent reasonableness determination was in error or (2) the HAMHC determines that the information provided by the owner about the unit or other units on the same premises was incorrect.**

#### **8-III.C. HOW COMPARABILITY IS ESTABLISHED**

## **Factors to Consider**

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

## **Rents Charged for Other Units on the Premises**

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the HAMHC payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the HAMHC information regarding rents charged for other units on the premises.

## **8-III.D. PHA RENT REASONABLENESS METHODOLOGY**

### **How Market Data is Collected**

#### **HAMHC Policy**

**The HAMHC will collect and maintain data on market rents in the HAMHC's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.**

### **How Rents are Determined**

#### **HAMHC Policy**

**The rent for unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The HAMHC will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compare to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the HAMHC may make adjustments to the range of prices to account for these differences.**

**The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).**

**Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).**

**The adjustment must reflect the rental value of the difference-not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).**

**When a comparable project offers rent concessions (e.g, first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows:  $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \$488$ .**

**The HAMHC will notify the owner of the rent the HAMHC can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The HAMHC will confirm the accuracy of the information provided and consider this additional information within 5 business days of the HAMHC's request for information or the owner's request to submit information.**

**Note- The next pages are the forms HAMHC is requesting to be filled out by landlords with their rentals that they have. Once again, thank you for your cooperation and time with this matter!!**