

## **RENT REASONABLENESS METHODOLOGY**

### **ALL CONTRACTS AND RENT INCREASES EFFECTIVE JULY 1, 2014**

#### General Calculations:

1. The Akron Metropolitan Housing Authority uses an on-line calculator in making rent reasonableness determinations. The system utilizes regression analysis for unit-to-market comparability. Reasonable rents are those determined to be comparable to a fair/high unit with consideration of the following features:
  - Size (number of qualifying bedrooms)
  - Location
  - Unit type
  - Utilities

Exception calculations: Documentation to merit the exception calculations is the responsibility of the property owner or manager. Retroactive calculations will not be considered.

2. Reasonable rents for units constructed in 2002 or later are those determined to be comparable to an excellent/high unit with the consideration of the following features:
  - Size (number of qualifying bedrooms)
  - Location
  - Unit type
  - Utilities

The County Auditor's report will be used to determine the year of construction. In case of dispute an initial occupancy permit must be presented.

3. A unit in a multi-family building that provides health and safety features as determined by AMHA will be comparable to an excellent/median. AMHA's determination will be based on the following:

- The building must consist of 20 units or more; and
- On-site security must be provided a minimum of 20 hours per week by an individual with documented certification or training in law enforcement or security whose primary responsibility is providing security services such as screening visitors, controlling access and patrolling the property; and
- Demonstrated availability and offer of consistent case management services at least for the household for which the reasoner is being run.

The following features will be considered:

- Size (number of qualifying bedrooms)
- Location
- Unit Type
- Utilities

If any unit falls into two categories the reasonable rents are those determined to be comparable to the higher category with the same features being considered.

The data base for other unassisted units is maintained by Market Vision Partners LLC (MVP) and is up-dated on an on-going basis. Up-dates are based on newspapers, realtors, professional associations, market surveys and other available sources.

**Additional points to consider:**

- It is the responsibility of the owner/manager to present documentation of any applicable criteria as stated above for consideration as part of the rent determination. Submit this with each Request for Tenancy Approval (RTA) and with all requests for rent increases.
- Rent determinations are only conducted for rent increase requests, new contracts and utility change contracts.
- No retroactive determinations will be considered.

- All rent determinations include consideration of the number of qualified bedrooms, location, unit type (e.g. single family home, duplex), and responsibility for utilities and type of utilities.
- As a reminder, the owner/manager is required to notify Contracting and Leasing in writing at least sixty days before any change in the amount of rent to owner is scheduled to go into effect.
- All requests for rent increases must contain the requested rent amount.
- Rent increases cannot be granted more than once every 12 months.
- If a rent determination results in a lower amount in the process of considering a request for an *increase*, rent will be *decreased*.