

# HCV Program Payment Standard and Rental Increase Guidance

## Information on requesting a rent increase:

- Notification of intended Rent Increase has been provided to tenant in compliance with the Housing Stability and Tenant Protection Act of 2019:
  - Landlords must give advanced written notice before raising rent 5% or more.
  - If a tenant has lived in an apartment two years or more, or has a two-year lease, the landlord must provide **90 days** advance written notice
  - If a tenant has lived in an apartment for more than one year, but less than two years, the landlord must provide **60 days** advance notice
  - If a tenant has lived in an apartment for less than one year, or have a lease for less than one year, the landlord must provide **30 days** advance notice
- Rent Increase Request must be submitted to CDCLI in writing no less than 60 days prior to the annual anniversary of the HAP contract to be effective at the start of the HAP contract anniversary.
  - If a rent increase request is received between 14 and 60 days prior to the HAP contract anniversary date, the rent may be approved for the contract anniversary date but will not be implemented until the first day of the month following the 60 day timeframe after receipt of the owner's request. Any request received after this period will not be considered until the following annual anniversary.
- Rent Increase Request is not submitted within the first 12 months of a contract/lease.
- Rent Increase Request for specific unit has not been submitted during the last 12 month period.
- Landlord acknowledges that a Rent Reasonableness Test must be conducted to ensure rental increase request does not exceed rents for comparable unassisted units in the market area as prescribed in CFR 982.507(a)(4).
  - The approved rent must be the lesser of:
    - Applicable Payment Standard for fair market rent for the unit bedroom size;
    - The reasonable rent;
    - The rent requested by the owner
- If Rent Increase Request is approved, an addendum must be executed reflecting the increased rent amount.

## How to Determine the potential rent amount:

$$\text{Potential Contract Rent} = \text{Payment Standard} - \text{Total Tenant Utility Allowance}$$

### **Step 1:** Identify the Payment Standard

1. Identify the size of the unit, which is the lesser of:
  - a. Size that meets town code definition
  - b. Number of bedrooms issued on the municipality's rental permit
  - c. Number of bedrooms listed on Housing Choice Voucher
2. Find corresponding payment standard based on the unit's zip code

### **Step 2:** Identify the Total Tenant Utility Allowance:

3. Open the utility allowance chart for the area the unit is located
4. Find the Utility Chart for the unit type that best describes your unit (single family, duplex, low rise, etc.)
5. Locate the bedroom number on the corresponding Utility Chart
6. Note the allowance for each utility the tenant will be responsible for
7. Add all tenant utility allowances together to find the Total Tenant Utility Allowance

### **Step 3:** Subtract the Total Tenant Utility Allowance from the Payment Standard to find potential maximum rent.