

**8301 REASONABLE RENT TO OWNER**

8301.1 Lease Approval. DCHA may not approve a lease unless it determines that:

- (a) The initial gross rent does not exceed the reasonable rent as determined by DCHA in accordance with this Chapter; and
- (b) The family portion of the rent does not exceed forty percent (40%) of the participant's adjusted monthly income.

8301.2 When Determinations Required. DCHA is required to make a determination of rent reasonableness upon any of the following eventualities:

- (a) At initial lease up, or lease up upon transfer;
- (b) Before any increase in rent to Owner is approved;
- (c) If sixty (60) days or more before the family's annual reexamination date there is a 5% or greater decrease in the published FMR for the unit size as compared to the previous FMR;
- (d) At the election of DCHA;
- (e) At the discretion of the US Department of Housing and Urban Development.

8301.3 Reasonable Rent Determination. The reasonable rent determination shall be determined based on the methodology described below in this Section 8301.3. At any time a rent determination is undertaken in accordance with 8301.2 above, the following process is used for determining whether the gross rent proposed to be charged by the Owner is reasonable.

- (a) DCHA when determining reasonable rent always considers items (i) through (ix) and may consider items (x) and (xi) at its option as follows: square feet, number of bedrooms, maintenance services provided under the lease, location, unit type, quality, date built, amenities included in the lease, utilities if provided by Owner, number of bathrooms, other services provided under the lease.
- (b) DCHA maintains an automated database which includes data on rents of comparable unassisted units in the same sub-market or a contiguous sub-market for use by DCHA staff in making rent reasonableness determinations.

## District of Columbia Municipal Regulations

- (c) DCHA staff shall determine the average rent within each sub-market, based on the data collected during rent reasonableness determinations.
- (d) DCHA shall conduct an annual District-wide evaluation to determine the average contract rents for all unit sizes and/or types in each sub-market.
- (e) The District-wide evaluation shall be done in accordance with the rent reasonableness factors set forth in 8301.3(a) to determine reasonable contract rents.
- (f) The results of the District-wide evaluation shall be made available to all HCVP landlords and participants.
- (g) The results shall set forth the allowable contract rents for all unit sizes and/or types in each sub-market of the District of Columbia.
- (h) DCHA shall monitor the rental market in the District of Columbia and if the market changes by ten percent (10%) or more, DCHA shall conduct a mid-year evaluation for certain sub-markets.
- (i) DCHA shall make available such mid-year evaluations to all HCVP landlords and participants.
- (j) HCVP landlords shall be able to submit to the DCHA rents for comparable unassisted units for consideration by the DCHA.
- (k) Any units submitted by a HCVP landlord for consideration by the HCVP shall meet the criteria of the unit size and/or type within the sub-market or a contiguous sub-market; provided however, DCHA's determination of the sub-market rent shall be final.
- (l) DCHA does not establish minimum base rent amounts.
- (m) DCHA shall use at least two comparable market rents for unassisted units for each rent determination with all comparables based on the rent that the unit would command if leased in the current market within the last twelve (12) months.

## District of Columbia Municipal Regulations

- (n) The data for other unassisted units may be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources.
- (o) The market areas for rent reasonableness are indicated by sub-markets, within the District of Columbia and the determination of reasonable rent is made by comparable rents on similar units within the same or nearby sub-market.

8301.4 Owner Information. The Owner is required to provide DCHA with information if requested on rents charged by the owner for other units owned by the Owner either at the same premises or elsewhere in the District of Columbia.

8301.5 Owner Certification. Acceptance of each monthly housing assistance payment is a certification by the Owner that the gross rent to the owner is not more than rent charged by the owner for comparable unassisted units in the premises for multi-unit premises, or in the same market area for single unit premises.

SOURCE: Emergency and Proposed Rulemaking published at 52 DCR 577 (January 21, 2005) [EXPIRED]; as amended by Emergency and Proposed Rulemaking published at 52 DCR 5094 (May 27, 2005) [EXPIRED]; as amended by Final Rulemaking published at 52 DCR 8631 (September 23, 2005); as amended by Final Rulemaking published at 56 DCR 3118 (April 24, 2009).