Rent Reasonableness
Frequently Asked Questions (FAQ)

What is Rent Reasonableness?

The New York City Department of Social Services (DSS) must determine that rents for subsidized apartments are not more than rents for similar unsubsidized apartments in the building or neighborhood. DSS performs this "rent reasonableness" test before approving a subsidy. This test is also done if there are any requests for a rent increase.

How is rent approved or determined "reasonable"?

The rent landlords charge for a CityFHEPS or FHEPS subsidized unit can never be more than rents charged for similar unsubsidized units within the development or in the vicinity. After landlords submit their Landlord Packages, DSS will review the requested rent to determine if the requested rents are reasonable.

DSS determines rent reasonableness on a case-by-case basis. DSS compares proposed rents to the rents currently charged for similar sized units within the same building. They will also look at rents charged by other landlords for comparable units in the area.

DSS will consider:

- unit type,
- amenities included in rent (e.g., balconies, on site laundry),
- location,
- overall condition, and
- any leasing incentives offered to the assisted or comparable units.

DSS uses www.affordablehousing.com, a web-based tool, to complete the Rent Reasonableness test. This complies with Federal rules.

Also, if the unit is subject to any rent regulation or a regulatory agreement that applies rent restrictions because the owner receives another subsidy or financial benefit, the rent for the CityFHEPS or FHEPS unit may not exceed the maximum rent allowed under that agreement or program.

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What happens if the Proposed Rent is not approved?

If the rent that's proposed is found to be unreasonable, the staff working on the rental package will notify the landlord and provide instructions on how to revise the request or provide additional documents in support of the request. The owner may supply DSS with information on comparable apartments using the DSS Rent Comparable Form.

Can a landlord/owner charge tenants more than the approved Contract Rent?

CityFHEPS and FHEPS participants must pay only the amount authorized by DSS. Unauthorized side payments or "side deals" for rent must be refunded to the tenant. These types of deals may adversely affect the landlord's future participation in the program.