EHV Quick Guide: Submitting Comparables for Rent Reasonableness

Emergency Housing Voucher Program

What is Rent Reasonableness?

- The New York City Housing Authority (NYCHA) and the New York City Department of Housing Preservation and Development (HPD) are required by the U.S. Department of Housing and Urban Development (HUD) to ensure that rents charged by owners to Housing Choice Voucher (HCV/Section 8) and Emergency Housing Voucher (EHV) program participants *are reasonable* relative to similar units in the area.
- In the leasing process, after the rental packet is submitted by the owner, NYCHA and HPD will compare the rent to the asking rent of other similar units in the area to determine if the rent is reasonable. (For more information on the Emergency Housing Voucher (EHV) leasing process, please see more below and here: <u>EHV Program -</u> <u>Owner Resources (nyc.gov)</u>)
- If NYCHA or HPD determine that rent charged by the owner is not **reasonable**, NYCHA or HPD will notify the owner (see more below regarding timeline). At that time, the owner may submit comparables (similar units in the area) and ask NYCHA or HPD to include the additional units in the determination of rent reasonableness. More below.

What are comparables and how are they used to determine rent reasonableness?

- To determine whether a rent amount is reasonable, NYCHA and HPD must compare the rent for the proposed unit to rents for similar unassisted units in the area. These similar units are called "**comparables**." HUD regulations require that NYCHA and HPD perform a rent reasonableness determination before a lease and HCV or EHV Housing Assistance Payment (HAP) contract are signed between the landlord/owner and the tenant.
- HPD and NYCHA have a process to evaluate and search for comparables during the rent reasonableness check, after the rental packet is submitted to NYCHA or HPD by the owner. Landlords and owners can also submit comparables directly to HPD and NYCHA if they have access to information about apartments like their own that the agencies may not see on AffordableHousing.com. We'll explain how to do this on the next page.
- When comparing units, NYCHA and HPD must consider the following factors where appropriate and practical:
 - Location;
 Quality;
 Size;
 Unit type (e.g., single family or apartment);
 Age of the contract unit;
 Amenities (e.g., fitness center, door person, private patio, etc.);
 Housing services;
 Maintenance (condition); and
 Utilities the owner must provide under the lease.

What if the asking rent is below the payment standard amount?

- Even if the asking rent is below the payment standard (the maximum monthly assistance NYCHA or HPD can provide), it **must still meet rent reasonableness requirements**. Therefore, an owner/landlord with asking rent at or below the payment standard amount may not be approved if the asking rent higher than (is not comparable to) other similar unassisted units in the neighborhood. (NYCHA & HPD payment standards can be found here: nyc.gov/hpd-payment-standards)
 - For example, if a landlord's asking rent in zip code 10001 for a 1 bedroom is \$3,229 (the <u>payment</u> <u>standard</u> for a 1 bedroom in this zip code), but other similar units in the neighborhood charge lesser rents, the unit may not meet the required rent reasonableness test and may not be approved by HPD or NYCHA. However, landlords may submit their own comparables and are encouraged to do so. More information is below.
- If a unit is subject to local rent regulation, the PHA must also follow those rules when approving the contract rent for the unit and the unit must meet rent reasonableness.

When and how to submit comparables:

• NYCHA and HPD both use <u>AffordableHousing.com</u> to conduct the rent reasonableness analysis. <u>AffordableHousing.com</u> pulls data from more than 300 sources to provide comparables.

Owners/landlords may also submit their own comparables. There are situations where submitting comparables is beneficial to the rent reasonableness determination process, for example:

- 1. When there are not enough existing comparables in <u>AffordableHousing.com</u>. Examples of areas where this may be the case is some areas of Queens, Bronx, Brooklyn, and Staten Island.
- 2. When an owner/landlord does not list their unit on <u>AffordableHousing.com</u> currently and/or there are other units in the building that are not currently listed on <u>AffordableHousing.com</u>
- 3. When an owner/landlord's unit is unique in some way that makes it higher priced than other units of similar size on the market currently.

The NYCHA and HPD Rent Comparable Forms require the:

- unit address;
- square footage;
- number of bedrooms;
- number of bathrooms;
- unit condition information (e.g., very good, good, average);
- unit quality information (e.g., basic, high-end, etc.);
- utility types;
- amenities;
- accessibility information (e.g., ramp, elevator, door opening button);
- monthly rent amount of comparables; and
- *certification from the landlord.* The owner certifies this information is true and correct and the units are within the "immediate neighborhood and rental market".
- The landlord must also acknowledge that they may not charge rent for an assisted unit that is more than rents currently being changed for comparable unassisted units within their building.

Submitting Comparables Process:

For NYCHA: Landlords may fill out the NYCHA Rent Comparable Form attached below (page 4). NYCHA owners/ landlords may also submit comparables directly to <u>AffordableHousing.com</u> using the instructions provided below and <u>linked here</u>.

Please note: For NYCHA, comparables must be within a .25 mile radius of the unit

Expected timeline: NYCHA reviews rental packets within 14 days of submission and will notify the landlord if the asking rent does or does not meet rent reasonableness standards within that timeframe.

For HPD: Landlords may fill out the HPD Rent Comparable Form attached below (page 5) and <u>linked here</u>. This form can also be found in the HPD Rental Packet when an EHV voucher holder is approved for a unit.

Expected timeline: HPD reviews rental packets within 5 days of submission and will notify the landlord if the asking rent does or does not meet rent reasonableness standards within that timeframe.

If you need help:

If you have questions, or would like more information or assistance in submitting comparables, please contact:

- AffordableHousing.com: (866) 466-7328
- HPD: <u>S8landlords@hpd.nyc.gov</u>
- NYCHA: Contact the Housing Assistant reviewing your pending rental packet and find more information on NYCHA's Add Owner Renter Comparables webpage

Affordable Housing.com Rent Reasonable Form

	Please email completed form to RROD@GoSection8.com. For assistance call (866) 466-7328. Fields with an * are required.								
$\left(\right)$	Tenant Information:								
	*First Name:	*Last Name:*Last Name:							
	*Primary Ph	hary Phone: Alternative Phone:							
	Voucher #	/Refrence #:							
	Housing Au	uthority Name:							
$\left(\right)$	Comparab	ole Property Location:							
	*Street:	*Unit #:							
		*State:*Zip: County:							
	<u>Property In</u>	formation:							
		nt: \$ *Bedrooms:*Bath: Square Footage: Year Built:							
		<u>ype:</u> (check one)							
		ent Condo Apartment Condo Townhouse Single Family House Duplex							
		4plex Townhouse/Villa Mobile Home Row House High Rise							
	,	ndition: Poor Fair Average Above Average Excellent Unknown							
	Applicable	Utility Schedule:							
(Utilities: *M	ust Complete for Adjustment Accuracy							
		Select who pays: Select each utility type:							
		Flectric Natural Gas Oil Bottle Gas/Propane							
ł	Heating Fuel								
C	Cookina Fuel	Renter Owner Electric Natural Gas Oil Bottle Gas/Propane							
	Hot Water	Renter Owner Electric Natural Gas Oil Bottle Gas/Propane							
	Electric	Renter Owner Owner City Water Well Water Unknown							
	Water								
	Sewer	Central Swap Cooler Window/Wall							
	Cooling	Renter Owner None Other Unknown							
	Heating	Renter Owner Baseboard Boiler Central Furnace Heat Pump Radiator							
	nearing	Space Heater Window/Wall None Other Unknown							
	Foaturoo a	nd Amenities:							
	Indoor								
10	aundry Type	W/D Hook-ups Washer/Dryer Washer Dryer Onsite Laundry							
	Kitchen	Dishwasher Stove Garbage Disposal Refrigerator Microwave							
	Outdoor	Swimming Pool Gated Community							
	Parking								
N	1aintenance	Pest Control Included Lawn Included Trash Included							
	Exterior								

For assistance call 1-866-466-7328. By submitting this form, I affirm that I am at least 18 years of age and have read and agreed to the AffordableHousing.com terms of use and privacy policy located at www.AffordableHousing.com/terms.



Office of Neighborhood Strategies Division of Tenant Resources 100 Gold Street New York, N.Y. 10038

Rent Comparable Form

INSTRUCTION:

Please enter the requested information for the proposed unit below. If you would like to submit additional information on three unassisted comparable units that support your requested rent, please complete the optional columns. Only units within the immediate neighborhood and rental market will be considered

Unit Condition: **Very good** = New or full renovation (must include kitchen & bath) in the past 5 years. **Good**= Well maintained or Partial renovation (upgrades to 1+ room(s) in the past 5 years. **Average**= No work in the past 5 years. **Quality: Basic**= Generic/average materials or appliances with normal wear and tear, **High End:** New, luxurious or, exclusive materials and or appliances.

Unit Information	REQUIRED Assisted Unit		Unit #1 (optional)		Unit #2 (optional)		Unit #3 (optional)		
Unit Address/ Apt. # (specific address required)									
Square feet									
No. of bedrooms									
No. of bathrooms									
Unit Condition	Very good Good		Very good Good		Very good Good		Very good Good		
	Average		Average		Average		Average		
Unit Quality	Basic		Basic		Basic		Basic		
	High End		High End		High End		High End		
Utilities	Fuel Type	Paid by(O,T)	Fuel Type	Paid by(O,T)	Fuel Type	Paid by(O,T)	Fuel Type	Paid by(O,T)	
Heating									
Cooking									
Water Heating									
Electricity									
Amenities									
Accessibility	🗌 Ramp		🗌 Ramp		🗆 Ramp		🗆 Ramp		
	Elevato	Elevator		Elevator		Elevator		Elevator	
		pening Button	Door Opening Button		Door Opening Button		Door Opening Button		
Monthly rent	\$		\$		\$		\$		

LANDLORD CERTIFICATION AND ACKNOWLEDGEMENT: Please sign below.

I certify that I have provided information on comparable rental units within the immediate neighborhood and rental market, which is true and correct to the best of my knowledge, for consideration as comparable units. Further, I understand that I may not charge rent for an assisted unit that is in excess of rents currently being charged for comparable unassisted units within my building.

Signature_