

Exhibit 6-1

Rent Reasonableness

HUD Regulation - 24 CFR 982.308(e)

Reasonable rent. The rent to owner must be reasonable (see §982.507).

HUD Regulation - 24 CFR 982.507(a)

- (1) PHA determination. (1) Except as provided in paragraph (c) of this section, the PHA may not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent.
- (2) The PHA must redetermine the reasonable rent:
- (i) Before any increase in the rent to owner;
 - (ii) If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect 1 year before the contract anniversary; or
 - (iii) If directed by HUD.
- (3) The PHA may also redetermine the reasonable rent at any other time.
- (4) At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the PHA.

AHFC Policy

AHFC modified requirement (ii) above with Moving to Work Activity 2015-1 Modify Reasonable Rent Procedure for 5 Percent FMR Decrease approved by AHFC's Board of Directors with Resolution 2014-22 on May 14, 2014. This was implemented with Numbered Memo 17-13 on March 20, 2017 with an effective date of April 1, 2017. AHFC will conduct rent reasonableness:

1. Before signing a Housing Assistance Payments (HAP) Contract for a new unit move-in.
2. Before any increase in rent to a landlord is approved.
3. As part of a family's regular examination process, if applicable. Specific direction regarding a re-determination will be issued when payment standards are updated.
4. If directed by HUD.
5. When determined necessary by AHFC.

1. Certifications

HUD Regulation - 24 CFR 982.507(b)

The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:

- (1) The location, quality, size, unit type, and age of the contract unit; and
- (2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

AHFC Policy

1. AHFC will certify rent reasonableness using the Rent Reasonableness Certification.
2. Information used to compare assisted and unassisted units will not be more than twelve (12) months older than the signature date on the rent reasonableness certification.

1.A Landlord Certification

HUD Regulation - 24 CFR 982.507(d)

Owner certification of rents charged for other units. By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.

1.B AHFC Certification

AHFC Policy

AHFC will use the Rent Reasonableness Certification to document rent reasonableness in a family's file.

2. Landlord Requests

HUD Regulation - 24 CFR 982.308(g)

Changes in lease or rent. (1) If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must be in accordance with the requirements of this section.

HUD Regulation - 24 CFR 982.308(g)(4)

The owner must notify the PHA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and any such changes shall be subject to rent reasonableness requirements (see §982.503).

HUD Regulation - 24 CFR 982.309(a)(3)

During the initial term of the lease, the owner may not raise the rent to owner.

AHFC Policy

1. A landlord's request for a change to the rent amount must be in writing to the family with a copy sent to AHFC.
2. A request to increase the rent must be received by AHFC at least 60 days prior to the effective date of the rent increase.
3. AHFC will conduct rent reasonableness and notify a landlord in writing with the disposition of the rent change request.

3. Low Income Housing Tax Credit (LIHTC) Units

HUD Regulation - 24 CFR 982.507(c)

Units assisted by low-income housing tax credits or assistance under HUD's HOME Investment Partnerships (HOME) program.

(1) General. For a unit receiving low-income housing tax credits (LIHTCs) pursuant to section 42 of the Internal Revenue Code of 1986 or receiving assistance under HUD's HOME Program (for which the regulations are found in 24 CFR part 92), a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

(2) LIHTC. If the rent requested by the owner exceeds the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations and the rent shall not exceed the lesser of the:

- (i) Reasonable rent as determined pursuant to a rent comparability study; and
- (ii) The payment standard established by the PHA for the unit size involved.

AHFC Policy

1. AHFC will gather two unassisted comparability surveys from the LIHTC neighborhood, when possible.
2. AHFC will compare the average rent of the comparability surveys to the AHFC payment standard for the same bedroom size.
3. AHFC will choose the lesser of the comparability survey or the payment standard.

4. HOME-Assisted Units

HUD Regulation - 24 CFR 982.507(c)

Units assisted by low-income housing tax credits or assistance under HUD's HOME Investment Partnerships (HOME) program.

(1) General. For a unit receiving low-income housing tax credits (LIHTCs) pursuant to section 42 of the Internal Revenue Code of 1986 or receiving assistance under HUD's HOME Program (for which the regulations are found in 24 CFR part 92), a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

(3) HOME Program. [Reserved].

AHFC Policy

AHFC will not determine a unit's rent reasonable if it exceeds the high HOME rent.

Administrative Desk Manual

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