Chapter 8

HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS
[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the DMMHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and the DMMHA-established requirements.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the lease agreement, and at other times as deemed necessary by the DMMHA, to determine that the unit meets HQS. HUD also requires the DMMHA to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and the DMMHA requirements related to housing quality and rent reasonableness as follows:

- **Part I. Physical Standards.** This part discusses the physical standards required of units occupied by assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

- **Part II. The Inspection Process.** This part describes the types of inspections the DMMHA will make and the steps that will be taken when units do not meet HQS.

- **Part III. Moderate Rehabilitation Program.** This part describes the types of inspections the DMMHA will make for the Moderate Rehabilitation program and the process for filing claims for unpaid rent and damages under this program.

- **Part IV. Rent Reasonableness Determinations.** This part discusses the policies the DMMHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.
PART I: PHYSICAL STANDARDS

8-I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD’s performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Attachment 8-1.

8-I.B. ADDITIONAL LOCAL REQUIREMENTS

Additional Requirements

The DMMHA requires all dwelling units approved and continuing in the program to meet any applicable city housing codes; HQS as set out by the U.S. Department of Housing and Urban Development, Attachment 8-2, Owner’s Manual, and the following additional requirements:

1. GFI outlets must be working properly where present. Floor mounted outlets are not acceptable in bathrooms or kitchens.

2. All fuel-burning furnaces, boilers and other central heating equipment shall be certified at the sole discretion of the DMMHA housing inspector or upon request by the DMMHA. The written certification must be signed by a licensed service technician and indicate that at the time of service the equipment is safe and operating properly.
3. Dwelling units shall have screens for all openable windows and screens for exterior storm doors, if so designed. If the dwelling unit is designed to include storm windows, they must be present and working as designed. Enclosed porches with multiple windows must have at least two openable windows with screens for cross ventilation.

4. Smoke detectors shall be installed close to bedrooms on all levels, to include basements and accessible attics, or where otherwise required by the DMMHA or applicable local codes, for tenant safety. Smoke detectors should be checked periodically to assure proper functioning.

5. Rooms that do not meet proper egress requirements will not be allowed to be used as sleeping rooms.

6. The storage of combustible, hazardous and/or flammable material and equipment is prohibited inside dwelling units (including basements).

7. The use of double key dead bolt locks on doors used for egress is prohibited.

8. All gas dryers must be properly vented to the exterior of the unit and/or building.

9. The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

**Applicable Local Codes**

Where City Housing Code inspections are required, the City's Certificate of Inspection must be current and so demonstrated before a Housing Assistance Payment Contract and Assisted Lease Agreement can be executed by DMMHA. To continue participation in the program, the unit and/or building must continue in compliance with both standards. Failure to comply with city code and HQS could lead to abatement and termination of HAP contract. If, in the opinion of DMMHA, there is a conflict between HQS and City Housing Code, the more stringent standards shall apply.

**Bedroom Standards**

For the purpose of applying the appropriate payment standard, the following standards will be applied when determining the number of bedrooms in a unit:

Room must have been originally designed to be a bedroom or remodeled to now be a bedroom. Newly remodeled rooms must comply with current building codes.

(a) **Existing Bedrooms:**

    Design - No walk-through or tandem rooms shall be considered a bedroom.

    Size - Minimum of 70 square feet (excluding closet) with at least a 7 foot high ceiling.
Windows - Minimum of 1 openable window for egress with screens and or storms (window must be adequately sized for egress) unless the unit is already in compliance with city rental codes that have been adopted to include the International Property Code and the International Fire Code.

Doors – Entry door required for units with 2 or more bedrooms.

Heat - By-pass heat may be acceptable, however, room must maintain 68 degrees temperature 18” above floor level.

Flooring - Room must have finished flooring, i.e., vinyl, vinyl composition tile, carpet, hardwood, etc. (No unfinished flooring allowed).

Ceiling- Room must have finished ceiling (plaster, drywall, suspended ceiling, etc).

Electricity - Minimum of 1 working outlet.

Lighting - One permanent working light or 2 working electrical outlets are required.

Other - No furnace or water heater is allowed in bedroom.

(b) New Construction and Newly added bedrooms:

Design - No walk-through or tandem rooms shall be considered a bedroom.

Size - Minimum of 70 square feet (excluding closet) with at least a 7 foot high ceiling.

Windows - Minimum of 1 openable egress window with screens and or storms unless the unit is already in compliance with city rental codes that have been adopted to include the International Property Code and the International Fire Code.

Doors - Entry door required at all bedrooms.

Heat - Forced air heat register or baseboard/radiant heat required (By-pass heat is not acceptable).

Walls – Must be finished and painted.

Flooring -Room must have finished flooring, i.e., vinyl, vinyl composition tile,, carpet, hardwood, etc. (No unfinished flooring allowed).

Ceiling-Room must have finished ceiling (plaster, drywall, suspended ceiling, etc).

Electricity - Minimum of 1 working outlet.

Lighting - One permanent working light or 2 electrical outlets are required.

Other - Compliance with all applicable codes is required. Owners must consult with local Building Department and pull all applicable building permits.

Definitions and Clarifications of HUD Requirements
As permitted by HUD, the DMMHA has adopted the following specific requirements that elaborate on HUD standards for purposes of determining compliance with HQS and local requirements.

**Walls**
In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

**Windows**
Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal.
Window screens must be in good condition (applies only if screens are present).

**Doors**
All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

**Floors**
All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe is permitted.

**Sinks**
All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All sinks must have functioning stoppers.

**Toilets**
All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

**Security**
If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.
**Lead Based Paint**

All inspection procedures involving defective paint will be in accordance with Federal Regulations 24 CFR Part 35 (as amended) and applicable State and local laws regarding lead based paint.

A visual assessment of deteriorated paint will be conducted at the time of inspection if the unit was built prior to 1978 and children under the age of 6 will be occupying the unit. This requirement applies to all painted surfaces (building components) all interior and exterior surfaces of the unit and any components associated with the unit (i.e., apartment building, common halls, playground equipment, common areas).

Above de minimis level: all deteriorated paint surfaces more than 2 sq. ft. in any interior room or space, or more than 10% of the total surface area of an interior type of component with a small surface area (i.e., window sills, baseboards, and trim), or more than 20 sq. ft. on the building exterior. The deteriorated paint must be stabilized (corrected) in accordance with lead safe work practice requirements set by HUD and clearance testing is required. If owner of a unit is required to correct any deteriorated paint above de minimis levels, the owner must submit a Lead Based Paint Owner Certification and the workers performing the repairs must be trained and certified in lead safe work practices and provide a copy of certification prior to re-inspection.

Below de minimis level: If deteriorated paint surface is less than 2 sq. ft. or less than 10% of the component, only stabilization is required. Stabilization means removal of deteriorated paint, repair of substrate, and application of a new protective coating or paint. Clearance testing is not required if deteriorated paint is found to be below de minimis levels.

In the event that a unit fails a lead base paint clearance testing, DMMHA will not deem the unit eligible for participation in the Housing Choice Voucher program by any family until the property owner can provide verification that the unit has passed clearance testing.

**8-I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]**

HUD requires the DMMHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of the DMMHA notification.

The following are considered life threatening conditions:

- Any condition that jeopardizes the security of the unit.
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling.
- Natural or LP gas or fuel oil leaks.
- Any electrical problem or condition that could result in shock or fire.
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.
Utilities not in service, including no running hot water.
Conditions that present the imminent possibility of injury.
Obstacles that prevent safe entrance or exit from the unit.
Absence of a functioning toilet in the unit.
Inoperable or missing smoke detectors (units must have at least one working smoke detector at each level of unit).
Missing or non-functioning range (microwave acceptable substitution-tenant preference) or refrigerator.
Sewer backup.
Disconnected exhaust vents for water heater or heating equipment.
Any structural collapse.
Presence of hazardous chemicals.

Obvious fire hazards.

If an owner fails to correct life threatening conditions as required by the DMMHA, the DMMHA will enforce the HQS in accordance with HUD requirements. See 8-II-G.

If a family fails to correct a family caused life threatening condition as required by the DMMHA, the DMMHA may enforce the family obligations. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless the DMMHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

**Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service.
- Failure to provide or maintain appliances owned by the family.
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear that result in a breach of the HQS. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

**Owner Responsibilities**

The owner is responsible for all HQS violations not listed as a family responsibility above.

8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225, FR Notice 1/13/17; Notice PIH 2017-13]
If the DMMHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an assisted unit has been identified as having an environmental intervention blood lead level, the DMMHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements (15 days), and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from the DMMHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the DMMHA will take action in accordance with Section 8-II.G.

The DMMHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

**8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.401, 24 CFR 982.403]**

To meet HQS space standards, a dwelling unit must:

- Provide adequate space and security for the family; and
- Have at least one bedroom or living/sleeping room for each two persons.

A unit that does not meet these HQS space standards is defined as **overcrowded**.

A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. In addition to the “Bedroom Standards” set forth above, a bedroom or living/sleeping room must have at least:

- One window unless the unit is already in compliance with city rental codes that have been adopted to include the International Property Code and the International Fire Code; and
- Two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets).

If the DMMHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the DMMHA will issue the family a new voucher, and the family and the DMMHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the DMMHA will terminate the HAP contract in accordance with its terms.
PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections
The DMMHA conducts the following types of inspections as needed. Each type of inspection is discussed in the sections that follow.

- **Initial Inspections.** The DMMHA conducts initial inspections in response to a request from the family to approve a unit for participation in the program. The unit must pass the HQS inspection on or before the effective date of the HAP Contract.

- **Annual or Bi-Annual Inspections.** HUD requires the DMMHA to inspect each unit under lease at least bi-annually (or in compliance with HUD regulations as amended) to confirm that the unit still meets HQS or a comparable inspection that meets HUD’s requirements. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

- **Special Inspections.** A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual or bi-annual inspections.

- **Quality Control Inspections.** HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the HQS.

**Inspection Costs [Notice PIH 2016-05]**
The DMMHA may not charge the family for unit inspections or reinspections, unless otherwise stated herein below [24 CFR 982.405(e); 24 CFR 982.352(b)]. In the case of inspections of DMMHA-owned units, the DMMHA may compensate the independent inspection agency from ongoing administrative fee for inspections performed. The independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

The DMMHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the DMMHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the DMMHA that a repair has been made but the deficiency has not been corrected to HQS standards, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed on owners for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The DMMHA will not charge a fee for failed reinspections.

The owner may not pass the cost of a reinspection fee on to the family. Money collected for reinspection fees must be added to the DMMHA’s administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

**Notice and Scheduling**
The family must allow the DMMHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 5:00 p.m. Generally, inspections will be conducted on business days only. In the case of a life threatening emergency, the DMMHA will give as much notice as possible, given the nature of the emergency.

**Owner and Family Inspection Attendance**

HUD permits the DMMHA to set policy regarding family and owner presence at the time of inspection.

When a family occupies the unit at the time of inspection, the DMMHA will conduct the inspection if either an adult family member/representative or an owner’s representative is present. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, the DMMHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

**8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]**

**Timing of Initial Inspections**

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract.

To the extent practicable, the DMMHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

In cases where the DMMHA is not able to complete the inspection within 15 days, the file will be documented as to the reason.

**Inspection Results and Reinspections**

If any HQS violations are identified, the owner and family will be notified of the deficiencies and the owner will be given a time frame to correct them. The DMMHA will reinspect the unit 28 days following the initial inspection or within 5 business days of the date the owner notifies the DMMHA that the required corrections have been made.

If the time period for correcting the deficiencies has elapsed, or the unit fails HQS at the time of the reinspection, the DMMHA will notify the owner and the family that the unit has been rejected. At DMMHA’s sole discretion, the DMMHA may agree to conduct a second reinspection, at the request of the family and owner.

Following a failed reinspection, the family is required to submit a new Request for Tenancy Approval for a unit.

**Utilities**
The owner is responsible for demonstrating that all utilities are in working order, including those utilities that the family will be responsible for paying.

**Appliances**

If the family is responsible for supplying the stove and/or refrigerator, the DMMHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the DMMHA. The DMMHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working.

**8-II.C. BI-ANNUAL HQS INSPECTIONS [24 CFR 982.405(a)]**

**Scheduling the Inspection**

An inspection of each occupied dwelling under Housing Assistance Payment contract will be conducted within 24 months (or in compliance with HUD regulations as amended) of the last full HQS inspection or comparable inspection that meets HUD’s requirements. The purpose for this inspection will be to ensure that the owner and tenant are maintaining the dwelling unit in compliance with Housing Standards and to ensure the DMMHA is not compromised with respect to the requirement by State Statute and any applicable local requirements for the owner to maintain a current and valid Certificate of Occupancy pertinent to the dwelling. The inspections will be conducted prior to, or simultaneously with, the annual re-examination.

The Housing Inspector will be responsible for the scheduling of appointments. Each family due for an inspection of its dwelling unit will be contacted by telephone or by letter in order to schedule an appointment for the inspection. Reasonable notice of the inspection will be given. The re-scheduling of inspections by owner or tenant will only be allowed for extenuating circumstances. Requests to have an inspection rescheduled will require a written request to the Housing Case Manager which must be accompanied by documentation verifying the circumstances. The Housing Inspector will advise the owner and tenant in writing if the request for a rescheduled inspection has been granted.

If the family misses the first scheduled appointment, the DMMHA will automatically schedule a second inspection. If the family misses two scheduled inspections, the DMMHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12.

**8-II.D. SPECIAL INSPECTIONS**

The DMMHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit.

During a special inspection, the DMMHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the inspection has been scheduled or is due within 90 days of the date that the special inspection is scheduled, the DMMHA may elect to conduct a full inspection.
8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

HUD requires a DMMHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, bi-annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

The owner and the family will be notified in writing when an inspection identifies HQS failures. The DMMHA will determine and identify (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

When life threatening conditions are identified, the DMMHA will attempt to immediately notify both parties by telephone, posting on door (or handing directly to participant), or fax. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the DMMHA’s notice.

When failures that are not life threatening are identified, the DMMHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 28 calendar days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any DMMHA-approved extension), the owner’s Housing Assistance Payment (HAP) will be abated in accordance with the DMMHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any DMMHA-approved extension, if applicable) the family’s assistance will be terminated in accordance with the DMMHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the DMMHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the DMMHA may grant an exception to the required time frames for correcting the violation, if the DMMHA determines that an extension is appropriate [24 CFR 982.404].

The length of the extension will be determined on a case by case basis. All inspection extension requests must be requested prior to the scheduled inspection date or the request will not be considered. No extension request will be granted for those violations that present an immediate health or safety hazard. In the event that a re-inspection that has been granted an extension fails,
the abatement of the Housing Assistance Payment (HAP) will be retroactive back to the original re-inspection date.

(a) Seasonal Extensions

Annually between October 15 and April 1, exterior work, that doesn’t constitute an immediate safety or health hazard, can be granted a seasonal extension due to inclement weather, at the discretion of the Housing Inspector. A follow-up inspection will be scheduled for June 1 of the applicable year. All corrections must be made prior to the follow-up re-inspection date. Additional extensions for seasonal work will not be granted. If corrections are not made prior to re-inspection, the HAP check will be immediately abated and will not be recoverable from either the DMMHA or the tenant. If no corrective action is taken after the abatement, the housing assistance payments (HAP) contract for this unit will be terminated.

Reinspections

The DMMHA will conduct a reinspection immediately following the end of the corrective period, or any DMMHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, the DMMHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with the DMMHA policies. If the DMMHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, the DMMHA will consider the family and/or the owner to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12 and/or owner abatement of HAP check in accordance with Section 8-II.G. below.

8-II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, the DMMHA must take prompt and vigorous action to enforce the owner obligations.

Housing Assistance Payment (HAP) Abatement

If an owner fails to correct HQS deficiencies by the time specified by the DMMHA, HUD requires the DMMHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

If the owner fails or refuses to complete the necessary repairs prior to the renewal date of the HAP contract or within 28 days from the date that the Housing Assistance Payment was placed on abatement, the Housing Assistance Payments Contract and lease may be terminated by DMMHA and the family respectively, and the family will be issued another Housing Choice
Voucher for the purpose of locating another suitable dwelling provided there are no tenant or program violations.

8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]
Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the DMMHA (and any extensions), the DMMHA will terminate the family’s assistance, according to the policies described in Chapter 12.

PART IV: RENT REASONABLENESS [24 CFR 982.507]

8-IV.A. OVERVIEW
No Housing Assistance Payment Contract can be approved until the DMMHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV and Moderate Rehabilitation programs.

HUD regulations define “reasonable rent” as a rental amount that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit’s rent is reasonable.

8-IV.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-Initiated Determinations
The DMMHA will make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

Owner’s requesting a rent increase must request the increase in writing to the DMMHA and participant at least 60 days prior to the desired effective date of the increase. DMMHA defines 60 days as two full calendar months.

For rent increase requests after initial lease-up, the DMMHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises the DMMHA will consider unit size.

The DMMHA will determine whether the requested increase is reasonable and the owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after the DMMHA’s receipt of the owner’s request or on the date specified by the owner, whichever is later.

DMMHA and HUD Initiated Rent Reasonableness Determinations
H UD requires the DMMHA to make a determination of rent reasonableness if there is a 10 percent decrease in the fair market rent in the same market area that goes into effect at least 60 days before the lease anniversary date. HUD also may direct the DMMHA to make a determination of rent reasonableness at any other time or the DMMHA may decide that a new
determination of rent reasonableness is needed at any time. DMMHA-initiated and HUD-initiated rent reasonableness determinations may occur without owner request.

The DMMHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the DMMHA determines that the initial rent reasonableness determination was in error or (2) the DMMHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8-IV.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires the DMMHA to take into consideration the factors listed below when determining rent comparability.

- Location and age of unit
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance. [Notice PIH 2002-22, Notice PIH 2005-20, and Notice PIH 2011-46].

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the DMMHA payment each month, the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the DMMHA information regarding rents charged for other units on the premises.

8-IV.D. DMMHA RENT REASONABLENESS METHODOLOGY
How Market Data is Collected

The DMMHA has partnered with GoSection8.com for rent reasonableness testing. GoSection8.com is a web-based program that maintains an up to date listing of comparability data on a monthly basis. Property owners can list vacant units at no charge. When a vacant unit is rented to a non-subsidized tenant, the information regarding the unit is automatically transferred to the rent comparability section of the web-site. Agency staff enter information on the proposed Section 8 unit as stated on the Request for Tenancy Approval and the GoSection8.com system locates comparables based on the data in the system.

How Rent Reasonableness is Determined

All initial Contract Rents and requests for increases in Contract Rent will be tested to ensure they do not exceed rents of comparable unassisted units based on the results of the most recent study. “Comparable” will be defined as units of similar size, age, structure type, and amenities located in the same US Census Tract. The DMMHA may, at its sole discretion, compare units in a neighboring US Census tract if there are no comparable unassisted units for the property in the same US Census Tract.

A copy of the Rent Reasonableness test form will be maintained in the client file.

The DMMHA will notify the owner in writing of the rent the DMMHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The DMMHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information at the DMMHA’s request for information.