



# *Saugus Housing Authority*

19 Talbot Street, Saugus, Massachusetts 01906

Telephone (781) 233-2116

Facsimile (781) 233-3531

## **SECTION 8 HOUSING CHOICE VOUCHER RENT REASONABLENESS POLICY**

The purpose of the rent reasonableness policy is to ensure that a fair rent is paid for each unit rented under the Saugus Housing Authority's (SHA) Section 8 Housing Choice Voucher Program, herein referred to as the Section 8 program, pursuant to the terms set forth by the United States Department of Housing and Urban Development (HUD).

HUD regulations require that the SHA verify and document that the requested amount of the Contract Rent for the proposed Section 8 subsidized unit is reasonable prior to approving a Housing Assistance Payment (HAP) Contract at the time of the tenant's initial occupancy and whenever the owner is requesting a rent increase.

HUD also defines reasonable rent as one that does not exceed the rent charged for other comparable, unassisted units on the premises or within the same general vicinity.

When determining rent reasonableness, the SHA will also verify that the owner is not charging higher rents for assisted units than for comparable, unassisted units at the same location.

Therefore, the SHA will require owners to provide information about the rents charged for other comparable unassisted units at that same location provided that there are three (3) or more units under lease agreements. The SHA will also take into consideration the length of tenancy in those other units.

If there are fewer than three (3) comparable, unassisted units under lease at the same location, the SHA will take into consideration the factors listed below when determining rent comparability between the proposed subsidized unit and other available units available in the general vicinity.

- Location and age of the unit and / or building within which said unit is located
- 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 overall quality of the unit including any amenities, unit upgrades, services and utilities included in the Contract Rent

*Adopted by the Board of Commissioners of the Saugus Housing on April 11, 2018*



**RENT REASONABLENESS POLICY**  
*(continued)*

When making a determination regarding the rent reasonableness for a proposed unit the SHA will utilize information available from the internet, local publications, SHA listings and / or any other available public posting site(s), and shall take into financial consideration those units that are not identical to the proposed unit and will make adjustments to the rents listed for the comparable units.

Finally, the SHA will make a subsequent determination of rent reasonableness after the initial occupancy period under the following circumstances:

1. The SHA determines that the initial rent reasonableness determination was in error; *or*,
2. The SHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.