



Affordable Housing Development Rent Adjustment Request Process

REQUIREMENTS

The City of Phoenix Housing Department's new rent limits can be viewed at:
<https://www.phoenix.gov/housing/building-affordable-housing>.

If Owners wish to increase their maximum allowable rents, they must complete the following steps.

1. All Rental Adjustment Request Forms must be downloaded from
<https://www.phoenix.gov/housing/building-affordable-housing>.
2. All completed forms, utility calculations, comparables, and supplemental materials must be submitted as a complete packet to the City of Phoenix Housing Department at
compliance.hou@phoenix.gov.

STEPS

1. Complete and submit a Rent Adjustment Request Form.
2. Attach the required documentation that justifies the rent request, including:
 - A. Market Study. Eligible market studies should be completed at most six (6) months prior to the submittal of the Rent Adjustment Request Form.

OR

- B. Comparables. Documentation of comparables must be submitted to justify the proposed rents. Submittal requirements are as follows:
 - Attach documentation of three (3) recent (within 60 days) apartment comparables. They must be marketing materials from the apartment complex or information from the apartment's website including the date the information was obtained.
 - Comparables must be no more than three (3) square miles from the subject property.
 - Comparables must include apartment units similar in size, amenities, and quality.
 - Outline the details of the three (3) comparables on the required Rent Comparable Spreadsheet
3. Utility Allowance (UA). The U.S. Department of Housing and Urban Development (HUD) no longer permits using the utility allowance established by the local Public Housing Authority

(PHA) for HOME-assisted rental projects for which HOME funds were committed on or after August 23, 2013. Projects to which HOME funds were committed before the effective date of the 2013 HOME Rule may continue to use the PHA utility schedule. Subject to this Rule are HOME, CDBG, NSP, and General Obligation Bond funded rental properties, including new construction and rehabilitation projects.

One of the following four methodologies must be used on City-funded rental properties after August 23, 2013. See the Utility Allowance Fact Sheet on *Methodologies to Determine Utility Rates* at: <https://www.phoenix.gov/housing/building-affordable-housing>

These include:

1. HUD Utility Schedule Model (HUSM)
www.HUDUser.gov/portal/datasets/husm/uam.html.
2. Multifamily Housing Utility Analysis
3. Utility Company Estimate
4. Energy Consumption Model (Engineer Model)

Utilize one of the two Rent Comparable Spreadsheets based on the Utility Allowance (UA) Methodology used.

1. NEW Rent Comparable Spreadsheet (Section 8 UA). Use this form for contracts executed before August 23, 2013.
2. NEW Rent Comparables Spreadsheet (Non-Section 8 UA). Use this form when utilizing one of the four (4) approved methodologies.

Supporting documentation for the selected Utility Allowance methodology must be submitted with the request.

4. Compliance Requirements. The implementation of rent increases must conform to the following:
 - Residential lease.
 - Arizona Residential Landlord and Tenant Act: [Arizona Residential Landlord and Tenant Act | Arizona Department of Housing \(az.gov\)](http://ArizonaResidentialLandlordandTenantAct|ArizonaDepartmentofHousing.az.gov).
 - The 40%, 50%, and 60% AMI units as listed on the City of Phoenix contract.
 - Requested rent limits may not exceed the HUD Maximum rents listed on the City of Phoenix HOME Fact Sheet at https://www.phoenix.gov/housingsite/Documents/HOME_Fact_Sheet.pdf.
 - Per the HOME Investment Partnerships Program requirements, landlords must provide a minimum of a 30-day notice or longer before implementing a rent increase or as determined by the lease.
 - Before increasing rents, Owners should also review the rent restrictions placed on the property by other funding sources and apply the most restrictive rent limits.
 - Rental Adjustments cannot be implemented until the City reviews and approves your Rental Adjustment Request Form. The review process takes approximately 30 business days to complete.

For questions on the process, email compliance.hou@phoenix.gov.

Revised: 5/28/2024