



## 3 Steps to Determine Contract Rent

Attached is a copy of the prospective tenants Housing Choice Voucher, Request for Tenancy Approval (RTA) and the Prince William County Payment Standards, which are separated by zip codes. The Payment Standards by zip codes where properties are located **DOES NOT** represent the amount of rent that can be requested by an owner/property manager. Payment Standards only represent the maximum payment for rent and utilities by zip codes. Below are the procedural steps required to determine the actual contract rent.

### Step 1

Upon receiving the RTA, the assigned Housing Program Analyst (HPA) working with the prospective tenant will determine if the voucher holder is financially able to afford the rental amount being requested. HUD regulation stipulates that a household **CANNOT** pay more than 39.99% of their income towards rent and utilities at the time of move-in. If the rental amount exceeds 39.99% of a households' income, the HPA will contact the owner/property manager to attempt to negotiate a contract rent within the households' approved percentage of income limits. If the rent cannot be negotiated, the family will be informed to look for an alternative property. If approve, go to Step 2.

### Step 2

After the prospect tenant rent has been approved by the HPA based upon the percentage of income to rent ratio, a formal request will be submitted to the Inspections Division. Prior to scheduling an inspection, a preliminary Rent Reasonableness Test must be performed to determine and document whether the proposed rent is reasonable compared to similar units in the marketplace and not higher than those paid by unassisted tenants on the premises. The determination must be made before approval of the initial rent to owner. Three additional units, that closely meet the specifications of the property unit, i.e. year built, location, bedrooms, bathrooms, livable square footage and the age and condition of amenities will be used to aid in determining the rental rate range of the property unit.

### Step 3

The Inspection Division will contact the owner/property manager to inform them of the approved rental range based upon the Rent Reasonableness Test. An inspection appointment date and time will be scheduled and upon completion of the inspection an approved contract rent will be determined based on the visual inspection of the unit and the Rent Reasonable Test range. If the owner/property manager is not in agreement with the approved contract rent, then the voucher holder will be notified to locate an alternative property. If the contract rent is accepted, the HPA will prepare all the necessary documents for the owner and tenant. The start date of a lease cannot be before a unit has passed inspection.