



Sonoma County Community Development Commission

FAIR MARKET RENT AND RENT REASONABLENESS

Date: ___/___/_____

Proposed Move-in Date: ___/___/ Program

Name: _____

Head of Household Name: _____

Fair Market Rent

Staff must consult the most current FMR published for Sonoma County and document FMR for all units for which funds are used for rental assistance.

Proposed Unit size:

- Efficiency
- One-Bedroom
- Two-Bedroom
- Three Bedroom
- Four Bedroom

Utilities to be paid by Tenant:

Utilities Type	Utility Allowance

_____ + _____ + _____ = _____
 PROPOSED CONTRACT RENT + OTHER FEES¹ + UTILITY ALLOWANCE = PROPOSED GROSS RENT

Fair Market Rent rate based on Unit size: \$_____

Determination:

_____ **The proposed rent for the unit is under the Fair Market Rent for Sonoma County.**
 Staff will proceed to the next page to determine Rent Reasonableness.

_____ **The proposed rent for the unit is not under the Fair Market Rent for Sonoma County and not eligible for rental assistance.**

¹ Other fees are any other fees required for occupancy under the lease and does not include late fees or pet fees.



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Rent Reasonableness

Please complete all portions of this form. If there is no information on a given characteristic, please write "N/A".

	Proposed Unit	Comparison Unit 1	Comparison Unit 2	Comparison Unit 3
ADDRESS				
NUMBER OF BEDROOMS				
SQUARE FEET				
TYPE OF UNIT/ CONSTRUCTION				
HOUSING CONDITION				
LOCATION/ACCESSIBILITY				
AMENITIES UNIT / SIZE / NEIGHBORHOOD				
AGE IN YEARS				
UTILITIES (INCLUDED)				
UNIT RENT UTILITY ALLOWANCE GROSS RENT				
HANDICAP ACCESSIBLE?				

Payment Standard \$ _____ (Average of the three COMPARISON units listed)

Proposed Gross Rent \$ _____

Determination:

- The proposed rent for the unit meets rent reasonableness.
- The proposed rent for the unit does not meet rent reasonableness.

Note: In order for the unit rent to be determined as Reasonable the Proposed Gross Rent cannot exceed the Payment Standard nor the FMR for the unit size. If rent reasonableness rates are lower than FMR, maximum



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allowable rent amount is capped at rent reasonableness rates.

By signing below I certify that the proposed unit

- Meets FMR and Rent Reasonableness and is eligible for rental assistance.**
- Does not meet FMR and Rent Reasonableness and is not eligible for rental assistance.**

Print Staff Name: _____

Staff Signature: _____

Date: _____



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Programs: Rapid Re-Housing and Homelessness Prevention Projects

Purpose: HUD’s rent reasonableness standard is designed to ensure that rents being paid are reasonable in relation to rents being charged for comparable unassisted units in the same market. Per the Sonoma County Community Development Commission (SCCDC) Program Standards and Emergency Solutions Grants (ESG), Agencies must ensure a proposed rental unit meets the rent reasonableness standard and is under FMR prior to providing rental assistance.

Policy: Agency must establish their own written policies and procedures for documenting comparable rents and ensure that they are followed when documenting Fair Market Rent (FMR) and rent reasonableness in the participant file. Agencies must ensure a proposed rental unit meets the rent reasonableness standard and is under FMR prior to providing rental assistance. Agency may use their own FMR and Rent Reasonableness forms but must ensure it includes all requirements per 24 CFR 576.106.

Procedures for completing the Rent Reasonableness SCCDC sample form for RRH and HP projects:

1. RRH/HP staff will enter the date the rent reasonableness form is being completed, the Program name and Head of Households name.
2. RRH/HP staff will document the proposed unit size.
3. RRH/HP staff will document all utilities required to be paid by the tenant per the lease agreement.
 - a. RRH/HP will document the utility allowance for each utility required to be paid by the tenant. Staff can find the utility allowance at: <http://sonomacounty.ca.gov/CDC/Housing-Authority/Property-Owners/Utility-Allowances/>
4. RRH/HP staff will then determine the Proposed Gross Rent.
 - a. To determine the proposed gross rent, RRH/HP staff will add the total contract rent amount of the unit, with other fees (if applicable) and the monthly utility allowance (if applicable).
 - i. Other fees do not include late or pet fees.
 - ii. If utilities are included in the rent, there is no utility allowance.
 - iii. The monthly utility allowance is added only for those utilities that the tenant pays for separately.
 - iv. Allowable utilities includes water, gas, electric, sewer and trash
 - v. Ineligible utilities include telephone, cable, satellite televisions and internet service
 - b. For example the proposed unit is a 2 bedroom apartment, tenant responsible for gas and sewer:

Contract rent amount per the lease is	\$2,000
Other fees	\$0
Utility allowance for the gas is:	\$30
Utility allowance for the sewer is:	<u>\$40</u>
Proposed Gross Rent Total	- \$2,070

5. RRH/HP staff will document the FMR for the size of the proposed unit. The FMR for Sonoma County can be found at:

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2020_code/select_Geography.odn



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6. RRH/HP staff will document the determination if the proposed unit rent is under or over FMR.
7. If the proposed rent is under FMR, RRH/HP staff will continue to step 8.
 - a. If the proposed rent is over FMR the unit is not eligible for rental assistance. If the unit is not eligible, RRH/HP staff can negotiate with the landlord, assist the participant in finding a new unit that meets all requirements, or assist with only financial assistance or services under Housing Stabilization and Relocation Services.
8. RRH/HP staff will obtain the needed information on the proposed rental unit including: address, number of bedrooms, square footage, included utilities, amenities, age of unit, unit condition, type of unit (apartment, house, condo, etc.), location, and handicap accessibility.
9. RRH/HP staff will find three other units for rent which are 'comparable' to the proposed rental unit: in location, number of bedrooms, square footage, included utilities, amenities, age of unit, unit condition, type of unit, and handicap accessibility.
 - a. Comparable units must be within Sonoma County.
 - b. The form and all comparable units rental advertisement dates must be within 30 days of the proposed rental unit's proposed lease date.
 - c. Comparable units can be documented by:
 - i. Zillow
 - ii. Trulia
 - iii. Craigslist
 - iv. Property Management Companies
 - v. Real Estate listings
 - vi. Apartment.com
 1. These resources above may have listings that do not provide all the information required, RRH/HP staff should make a follow-up call to obtain the missing information.
 - d. Comparable units can also be documented through written verification signed by the property owner or management company, on letterhead, affirming that the rent for a unit assisted with ESG funds is comparable to current rents charged for similar unassisted units managed by the same owner.
10. Once three comparable units have been identified RRH/HP staff will determine the Payment Standard.
 - a. To determine the Payment Standard, RRH/HP staff will take the total amount of the three comparable units and divide that total by 3.
 - i. For example: Unit 1 - \$2,200/month
Unit 2 - \$2,100/month
Unit 3 - \$2,150/month
Total \$6,450
\$6,450/3= \$2,150
Payment Standard - \$2,150
11. RRH/HP staff will document the determination if the proposed unit rent meets or does not meet rent reasonableness.



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12. Staff will sign and certify if the proposed unit meets all requirements and is eligible for rental assistance.
- a. If rent reasonableness rates are lower than FMR, maximum allowable rent amount is capped at rent reasonableness rates.
 - b. If the proposed gross rent total is more than the payment standard rental assistance cannot be provided. RRH/HP staff can negotiate with the landlord, assist the participant in obtaining another unit that meets all requirements, or assist with only financial assistance or services under Housing Stabilization and Relocation Services.

Forms: FMR and Rent Reasonableness
Back-up documentation of comparable units
PHA Approved Utility Allowance

Additional Resources:

<https://files.hudexchange.info/resources/documents/ESG-Rent-Reasonableness-and-FMR.pdf>

<https://www.govinfo.gov/content/pkg/CFR-2018-title24-vol3/xml/CFR-2018-title24-vol3-part576.xml#seqnum576.409>

<http://sonomacounty.ca.gov/CDC/Housing-Authority/Property-Owners/Utility-Allowances/>

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2020_code/select_Geography.odn