

## PHFA Rent Increase Policy

Annually, PHFA must review and approve property rent schedules for certain funding programs to ensure residents are paying rents at or below the applicable program limits and that no tenant receives an undue increase from the previous year. Properties with the following funding sources must submit a rent schedule for approval:

- HOMES (pre-July 1995 HOMES funds/ per Chapter 12 of the Property Operations Manual)
- PennHOMES with Federal HOME
- PennHOMES Match including Match properties that have concluded their affordability period but still have an outstanding PHFA loan
- PennHOMES with Tax Credits
- PHFA 1st Mortgage
- National Housing Trust Fund
- Housing and Redevelopment Assistance Program (HRA) / Keystone
- Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE)
- Capital Magnet Fund

Agents are encouraged to increase rents annually, however rents cannot exceed the applicable maximum rent limits. Residents should get accustomed to the concept of annual rent increases however the agent must ensure the rent increase is reasonable (5% or less) for the resident. Tenant Rent plus utility allowances for tenant-paid utilities cannot exceed the published maximum rents.

A written request must be submitted to the Housing Management Representative (HMR) for annual rent increases that exceed five percent (5%). The agent must provide a detailed explanation of why an increase above 5% is warranted. The HMR and Financial Analyst (FA) assigned to the property will review the request and issue a written response with an approval or disapproval.

Consideration is given to the following factors when evaluating the requested increase:

- Consistent, adequate, and trained staff at the site
- Management policies and execution regarding:
  - Rental delinquency
  - Evictions
  - Occupancy and move-ins
  - Unit Turnovers
  - Rent collection
- Overall affordability to residents
- Management and usage of RFR account
- Review of project financials

These factors are evaluated to ensure residents do not receive rent increases due to unsatisfactory management policies or implementation.