



Rent Adjustment Policy for the Ohio 811 Program

Effective 10/1/2021 | Revised 2/23/2022

Introduction

The Ohio Housing Finance Agency (OHFA) as grant administrator for the Section 811 Project Rental Assistance Program (Program) has the responsibility of ensuring that at the anniversary of a Rental Assistance Contract (RAC), owners of eligible multifamily properties submit a written request to OHFA to obtain an annual adjustment of pre-renewal gross rent (including utilities, if applicable). This document establishes the procedure to be used by OHFA for Annual Rent Adjustments.

Annual Rent Adjustment Procedures

1. OHFA will contact the Owner 120 days prior to the RAC anniversary date to inform them of the opportunity for a rent adjustment.
2. If the RAC for the property indicates that HUD Operating Cost Adjustment Factor (OCAF) will be used for annual rent adjustments, the Owner will be given an opportunity to amend the RAC to use the lesser of the 50% Low-Income Housing Tax Credit rents or the Fair Market Rent in effect on the anniversary of the Effective Date of the RAC.
3. The Owner must request this adjustment by submitting a statement requesting a rent adjustment at least 90 days prior to the RAC anniversary date. The new rent for the upcoming year will go into effect on the anniversary of the Effective Date of the RAC.
4. The Owner will submit one of the following three items to document the utility allowance for the property:
 - a. A copy of the current utility allowance schedule if the property uses a utility allowance from a Public Housing Authority (PHA), the Rural Housing Service (RHS) or the Department of Housing & Urban Development (HUD); or
 - b. A copy of the most recent utility allowance schedule approved by OHFA if the property uses a utility company estimate, HUD Utility Schedule Model or Engineer's Energy Consumption Model; or
 - c. A request for an approved utility allowance according to the [OHFA Utility Allowance Request Procedure](#) that will be effective as of the anniversary date of the RAC.
5. Once the request is received, OHFA will calculate the new Contract Rent based on the 50% Low-Income Housing Tax Credit rents (the "50% LIHTC rents") in effect on the



anniversary of the Effective Date of the RAC, and on the documented utility allowance. If the 50% LIHTC rents exceed the Fair Market Rent (FMR), then the FMR in effect as of the anniversary date of the RAC will be used.

6. If the Owner elects to retain the OCAF methodology, OHFA will send the OCAF worksheet via email with instructions to complete and return to OHFA with all required documentation of their annual debt service and potential rent of 811 and non-811 units.
7. If this is the first annual rent adjustment of the Contract, the Owner may request to align their contract anniversary date with the existing federal or state housing programs layered at the property. The Owner should submit a formal letter to OHFA requesting to align the anniversary date.
8. Owners that do not submit a request at least 90 days before the RAC anniversary date forfeit any rent adjustments for the coming year.

Utility Adjustments

1. According to HUD Notice H-2015-04, owners of multifamily housing properties that receive subsidy assistance, and for which HUD provides a utility allowance, are required to adjust their properties' utility allowances for HUD-assisted units every year at the time of the annual and special adjustments of contract rents.
2. Owners may choose one of the following utility allowance methodologies:
 - a. Utility Company Estimate.
 - b. HUD Utility Schedule Model.
 - c. Engineer's Energy Consumption Model.
 - d. Utility allowance from a PHA, the RHS, or HUD
3. In correspondence finalizing the rent adjustment, OHFA will remind owners to follow the applicable notification requirements in HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs. If any decrease in the utility allowance results in an increase in the tenant share of the rent, the owner must give the tenant at least a 30-day notice of the increase. Failure to do so will result in the owner covering the difference in the utility allowance for the period before the residents were properly notified.



OHIO 811

PROJECT RENTAL ASSISTANCE

Execution of HUD Form

Upon receipt and review of all requested documentation, OHFA will issue to the owner a new form HUD-92458 to reflect the rent and utility allowance adjustments that will take effect on the anniversary date of the RAC. The Owner will sign this form and return it to OHFA. Compliance staff will make scanned copies of the fully executed form HUD-92458 and distribute to:

1. The property files;
2. DevCo (include documentation of the source of the new utility allowance if necessary).
3. HUD via email to PRAContracts@hud.gov to update the HUD iREMS system, with copies to the voucher contact (Blueprint Housing Solutions) and the Owner or their agent.

Submissions or questions regarding this policy may be sent to the Ohio 811 Program mailbox at 811Program@ohiohome.org.