

POLICY CLARIFICATION

This special Blast update serves to clarify The Office of Portfolio Management's July 31, 2018, announcement regarding the Rent Increase Cap Policy and the HOME Approval form, and is a result of feedback and questions received following our announcement. Please visit our Compliance Monitoring website to obtain the most recent version of the [HOME Rent Approval Form](#).

**Questions originally submitted have been edited for length and clarity*

5% RENT INCREASE CAP POLICY CLARIFICATIONS

QUESTION 1:

If a request is submitted prior to September 1, 2018, will the Cap be enforced?

ANSWER:

All rent increases that will be implemented on September 1, 2018, or later, are subject to the Rent Cap policy.

Exceptions:

Following the July 31, 2018, notification of the new Rent Cap policy in the Compliance Blast, only projects that have notified tenants with a minimum 30 days' written notice of their proposed increase, may exceed the 5% rent cap under the following circumstance:

- Properties that provided any tenant with a 30 days' written notice of a proposed rent increase prior to or on August 2, 2018, are not subject to the 5% increase for those proposed rents, regardless of the new rent effective date.
- Properties that notified a tenant of a rent increase after August 2, 2018, may not exceed a 5% increase on any proposed rents that will be implemented on September 1, 2018 or later.
- Properties that have implemented a rent increase for in-place tenants in an Acquisition Rehab deal, are not subject to the 5% Rent Cap for the new rents in the deal. Any rent increases imposed on renewal agreements, following the new rents in an Acquisition Rehab deal, will be subject to the Rent Cap effective September 1, 2018.

Examples:

1. Tenant's lease will renew on September 15, 2018. Can the rent increase exceed 5% if written notice of the rent increase was given on July 15, 2018? **Yes**
2. The tenant was notified on August 15, 2018 of a proposed 7% rent increase, with an effective date of October 1, 2018. Is it permissible to exceed the 5% rent increase cap? **No**

QUESTION 2:

The Rent Cap policy states that the policy is for in-place residents only, does this allow new move-ins to be rented at a higher rental rate?

ANSWER:

Yes. The new Rent Cap policy applies to in-place tenant rents on existing projects.

QUESTION 3:

Will DCA consider exceptions to this policy? If so, what documents must be submitted and to whom?

ANSWER:

Yes. DCA will consider exceptions for hardships related strictly to the financial health of the subject property.

DCA will require a minimum of the following documents for review and consideration of any request to exceed the 5% rent increase cap:

1. Audited financial statements for the past 2 years
2. Rent rolls
3. 2018 Budget
4. Income and/or cash flow statements for the past 12 months

Until further notice, please submit requests to Compliance@dca.ga.gov. Upon submitting your request, DCA may require additional information to process the request.

HOME RENT APPROVAL FORM CLARIFICATIONS

QUESTION 1:

How do I know whether to select "Yes" when asked whether my project is in a MSA on the HOME rent approval form?

ANSWER:

Please use the [Metropolitan Area Look-Up Tool](#) on the HUD website, to determine if your project's county is an MSA. Be sure to categorize your county accordingly on the HOME rent approval form, as an MSA or not an MSA.

QUESTION 2:

Regarding the UA Date Approved location, is this the effective date of the chart? (Last year's form had "effective date.").

ANSWER:

Yes. "Date Approved" will now be categorized as "Effective Date" on the UA section of the HOME rent approval form.

QUESTION 3:

For PBRA contracts, rent will appear higher than allowable TC or HOME rents, since this is permissible. Should we note this is a PBRA/HUD project somewhere on the request?

ANSWER:

Yes. The form has been revised to include a reminder to indicate the number of PBRA units, whenever applicable. (Please refer to page 3, number 6, of the form)

REMINDER

September 30, 2018, is the deadline for the HOME Rent Approval Submission. Please submit all forms to Compliance@dca.ga.gov and use the email subject line:

Georgia Housing Search

Listing on GeorgiaHousingSearch.org is completely free and can be done online at GeorgiaHousingSearch.org or via a toll-free call center at 877-428-8844. For GeorgiaHousingSearch.org questions, please call 877-428-8844 (quickest and easiest!) or register online at www.GeorgiaHousingSearch.org.

Previous Notifications

Placed In Service Notification to DCA

DCA should be notified using the Placed In Service Notification no later than 30 days after the first building in your development is placed in service. The required notification form can be found on the [Compliance Monitoring](#) site, select the "Form" icon.

The form includes instructions for setting the development up in MITAS and obtaining initial access to MITAS for the property. For questions about the form or set up, send your email to compliance@dca.ga.gov.

The Georgia Department of Community Affairs is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, sex, familial status, or disability.

For reasonable accommodations or alternate format information please contact compliance@dca.ga.gov



Equal Housing Opportunity



 [DCA Fair Housing Statement](#)

 [Add Me to the Email List or Submit a Question](#)

 [DCA Compliance Website](#)

 [Mitas](#)

 [MTSP Income Limits](#)

 [HOME Income Limits](#)

 [HOME Rent Limits](#)

 [Georgia Housing Search](#)

 [DCA Allocation Documents by Year](#)

 [Applicants & Funded Projects](#)

Quick Links

[GA Affordable Housing Coalition](#)

[2013 HOME Final Rule](#)

 [Violence Against Women Act \(VAWA\)](#)

 [Fair Housing Limited English Proficiency \(LEP\)](#)

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