

**Rent Reasonableness and Fair Market Rent Certification
CA HCD ESG Program**

INSTRUCTIONS

This page provides instructions for using the CA HCD ESG Program's Rent Reasonableness and Fair Market Rent Certification form. **YOU DO NOT NEED TO INCLUDE THIS PAGE IN CLIENT FILES.**

Part 1: Unit Details

- Address: the street address of the unit
- Number of Bedrooms: the total number of bedrooms in the unit.
- Unit Type: all units should be of the same or comparable type (e.g. efficiency/SRO, apartments buildings <= 4 units, apartment buildings >= 5 units, single family homes)
- Census Tract or Neighborhood: except in urban areas or other areas with significant differences in rent between neighborhoods, comparable units should be drawn from the same census tract as the participant unit; otherwise, comparable units should be drawn from the same neighborhood (as defined by the service provider)
- Quality, Amenities, and Accommodations: specify the unit's quality (e.g. good, fair, poor) and list any other amenities that would substantially affect the experience of people living in the unit (e.g. off-street parking, in-unit laundry). Also, list any disability accommodations.
- Contract Rent: the amount of rent paid to the owner as listed in the lease
- Utility Allowance Amount: the amount owed to the participant based on those utilities not included in the rent; calculated using the local PHA's utility allowance schedule
- Gross Rent: the sum of monthly contract rent, fees, and utility allowance; for more information about gross rent calculation, refer to the CA HCD ESG Fair Market Rent and Rent Reasonableness Policy

Part 2: Rent Reasonableness Assessment

The participant unit meets CA HCD's Rent Reasonableness standard if its gross rent is not more than \$100 above the average gross rent of the comparable units. The average gross rent of comparable units can be calculated by adding them together, then dividing by 3.

Part 3: Fair Market Rent Assessment

The participant unit meets FMR standards if its gross rent is less than or equal to the current FMR value for the unit's county or, if applicable, the unit's Metropolitan FMR Area. Current FMR values are published online by HUD at <https://www.huduser.gov/portal/datasets/fmr.html>

