



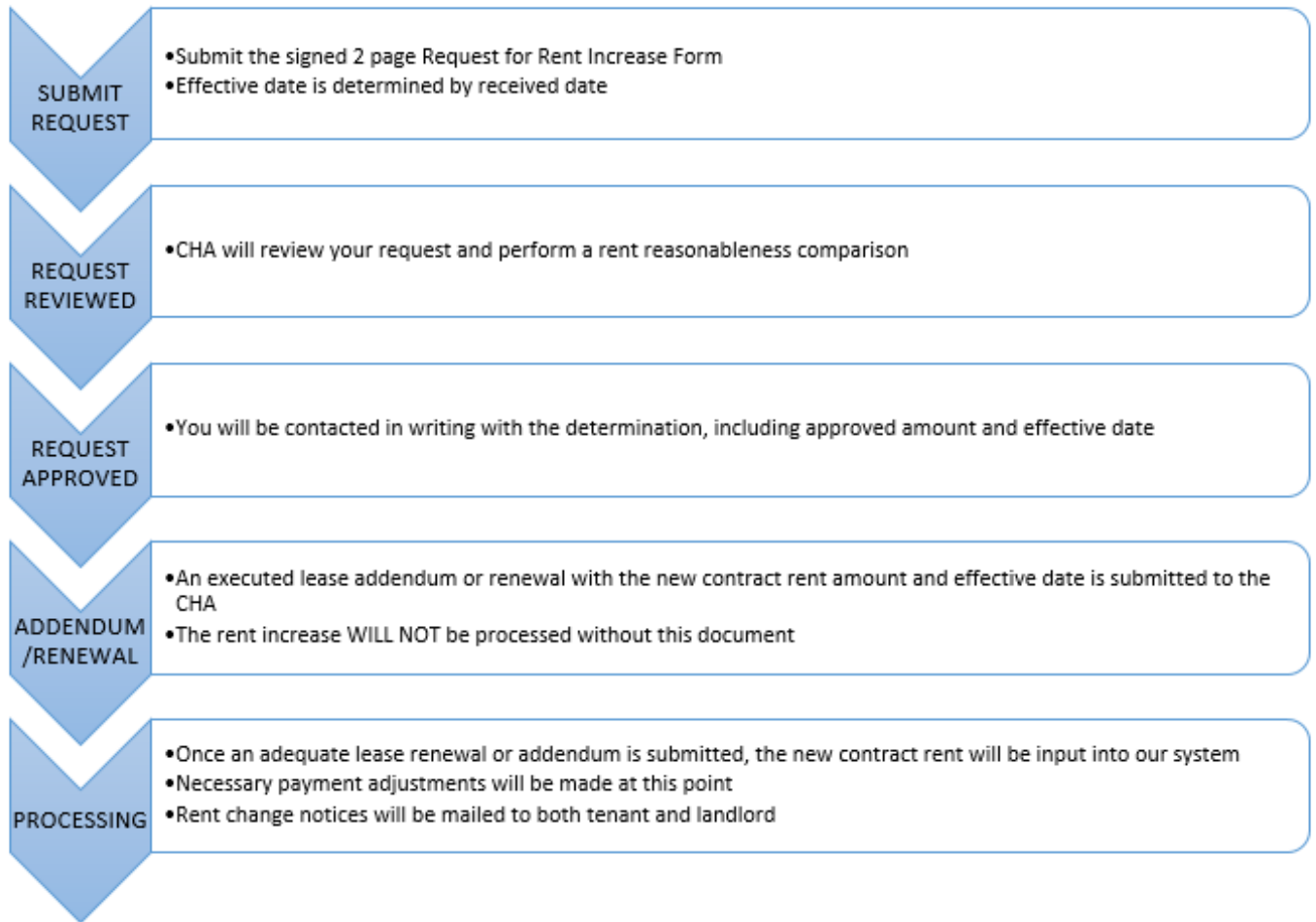
Contract Rent Increase Policy and Procedures

Chattanooga Housing Authority - Housing Choice Voucher Program

RENT INCREASE POLICY

The Housing Authority Payment (HAP) Contract requires the Landlord to notify the Chattanooga Housing Authority (CHA) in writing at least sixty (60) days prior to the date the increase will go into effect. The earliest possible effective date of the increase will be the first day of the month following the 60 day notification period from the date the request is submitted in writing. This is a directive from the Department of Housing and Urban Development (HUD), not a policy of the CHA, and there can be no exceptions. All proposed rent increases must be approved by the CHA as reasonable and cannot exceed rents charged for comparable unassisted units in the area. Once the rent increase has been approved, a fully executed lease renewal or addendum must be submitted with the approved increase amount and effective date. Only when all proper documentation has been received will the new contract rent will be input into our system. When applicable, the CHA will make payment adjustments to the landlord backdating to the approved effective date of the increase and/or the effective date stated on the lease renewal or addendum, whichever is later. The CHA will give a 30-day notice to the tenant if their portion increases, and the CHA will cover the tenant's increased portion up to that date.

RENT INCREASE TIMELINE



ADDITIONAL REQUIREMENTS

1. There is to be only one (1) increase to the contract rent for the same unit in a twelve (12) month period.
 - a. A unit is not eligible for an increase to the contract rent until the tenant has occupied the unit for twelve (12) consecutive months and the initial terms of the lease have expired.
2. Rent increases must be submitted on the “Rent Increase Request Form” that can be found online at www.chahousing.org. The form(s) must contain the required signatures of **both** the tenant and the requesting owner/property manager, or it will not be processed.
3. The earliest possible effective date of the increase will be the 1st day of the month following the 60-day notification period from the date the request is submitted in writing.
 - a. Example: If the increase is submitted on 9/25, the earliest effective date of the approved amount would be 12/1.
4. While the signatures of both parties are required to evaluate the proposed increase, tenants are not required to sign the Rent Increase Request form. Alternatively, owners/property managers are not required to extend the tenancy past the terms set forth in the effective lease agreement.
5. The CHA reserves the right to deny a rent increase due to insufficient funding.
6. The CHA will conduct a rent reasonableness survey of comparable units.
 - a. Per HUD policy, the CHA cannot approve a contract rent amount higher than the unit’s estimated market value as determined by the rent reasonableness survey.
 - b. If the proposed rent is determined not to be reasonable, the CHA will approve an alternative amount that is in line with the estimated market value.
 - c. Notification of the determination will be sent in writing to the owner/property manager stating the approved rent amount and effective date.

7. If the rent increase is approved, an executed lease addendum or renewal must be submitted within the required time frame in order to legally change the contract rent amount.
 - a. A deadline will be stated explicitly in the approval notification,
 - b. If proper documentation is not submitted within 60 days of the approvals being sent, the request will expire and will not be processed. If desired, a new request must be submitted to restart the process.
8. Once proper documentation is received, the increase will be processed within CHA's system and rent change notices will be mailed to both parties.
 - a. **The tenant's rent portion is determined solely by the CHA. Tenants are not to be charged any rent amount other than what has been approved in writing by the CHA in the form of a Rent Change Notice.**
 - b. Estimated tenant portions that may be provided in rent increase determinations are for informational purposes only and cannot be considered binding.

LEASE RENEWAL OR ADDENDUM REQUIREMENTS

In order for an approved rent increase to be processed for payment, a copy of the executed lease renewal or addendum must be submitted. This legally binding document supersedes the terms of the original lease and serves as the basis to increase the contract rent.

If a proper lease renewal or addendum is not provided within the specified time frame, then the rent increase WILL NOT be completed, and the process must restart with a new request.

The CHA does not require or provide a specific form. However, there are elements that must be specified depending on whether a lease renewal or addendum is submitted.

A lease renewal (full lease) must include:

1. The approved effective date the rent increase is to begin
2. The approved increased contract rent amount
3. Tenant late fees stated as a percentage - not to exceed 10% of the amount past due per Tennessee state law
 - a. Cannot be stated as a fixed dollar amount or a daily fee
4. State who pays for monthly utilities, tenant or landlord
5. State who supplies the stove and refrigerator, tenant or landlord
6. Tenant's name, signature, date
7. Landlord's name, signature, date

A lease addendum (addendum to the current lease already in place) must include:

1. The approved effective date the rent increase is to begin
2. The approved increased contract rent amount
3. Tenant's name, signature, date
4. Landlord's name, signature, date

The contract rent increase cannot be processed and payment adjustments cannot be made until a satisfactory lease addendum or renewal has been submitted and reviewed.

Sample Lease Addendum

*The CHA does not require a specific template for lease addendums as long as the necessary information is contained therein. This is an example of an acceptable lease addendum.

Effective August 1, 2022, the contract rent for 123 Sesame St. will increase to \$1,000 per month. This serves as an addendum to the original lease dated January 1, 2020.

All provisions which are not specifically altered in this or any other amendment shall remain unchanged.

*Big Bird*_____

Tenant Signature

7/15/22_____

Date

*John Smith*_____

Landlord Signature

7/15/22_____

Date