



Rent Increase Requirements and Procedures - Senior Designated Developments

Rent increase requests for senior designated developments (i.e., developments for residents age 55 and older) are capped at the greater of 2%, or the prior year Social Security Cost of Living Adjustment (COLA). However, in years of 0% COLA adjustments, the owner will be allowed to increase rents by a maximum of 2%. All MHDC-approved rent increases are issued on Form Schedule II.

Senior Designated Developments - Rent Increase Requirements and Procedures

- Annual Financial Statement and Budget must be submitted by the due date in AMRS.
- Current Utility Allowances have been submitted in AMRS.
- Current Rent Roll must be uploaded in AMRS. The current rent roll must contain each unit, bedroom type, rent amount, rent type, and the lease move-in/renewal effective dates for each resident.
- A **signed** copy of MHDC's **Exhibit A-21 Notice to Residents of Management's Intention to Submit a Rent Increase Request to MHDC for Approval** must be uploaded with the rent increase request. Please note: Owner/Management is required to deliver an Exhibit A-21 to each resident and post it for public viewing prior to submitting the rent increase request to MHDC. This notice may not be altered with substitute with alternative language.

Senior Designated Developments - MHDC Compliance Testing:

- The development must be in compliance with all MHDC policies and procedures.
- AOD reporting must be in compliance.
- Occupancy submission must be current, and average occupancy must not be below 90% over a rolling 12 month period.
- The most recent inspection must be closed in compliance.
- The development must demonstrate that they are charging the current approved rents based on the most recent approved Schedule II to at least 90% of the residents.
- The proposed rents may not exceed maximum Section 42 rent limits.
- If applicable, the property's mortgage must be current.

A Schedule II reflecting approved rents will be issued as long as the property can demonstrate that they are in compliance with the above list. Rent increases **MUST NOT** be implemented before the effective date or before a signed Schedule II has been provided to the owner or the managing agent. In the event the owner/management has not complied with the list above, the Schedule II will be placed on hold until the non-compliance is corrected.