

Owners Handbook Housing Choice Voucher Program

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Introduction

The rules and regulations for the Section 8 Housing Choice Voucher Program are determined by the U.S. Department of Housing and Urban Development (HUD). If you are a rental property owner or manager, this handbook will assist you in understanding how the programs work.

The success of the program depends on the local Housing Authority being able to contract with property managers and owners who have decent, safe and sanitary rental units.

The subsidy that comes with the Section 8 program helps families to rent in many different neighborhoods. Participant families include ***elderly persons, persons with disabilities***, and working families who do not earn enough to keep pace with rising rental housing costs.



**STEPS TO ASSISTED
TENANCY THROUGH THE
HOUSING CHOICE
VOUCHER PROGRAM**

Application

Eligibility

HRA Issues a tenant a Housing Choice Voucher

Tenant contact owner regarding available unit

Owner shows unit to tenant

Tenant voices interest in unit

Owner screens tenant

Owner "approves" tenant

Tenant supplies owner with "Request for Tenancy Approval (RTA) for completion

Tenant returns completed RTA to HRA

HRA "approves" rent and tenancy

HRA Inspector schedules and performs Housing Quality Standards inspection. HRA Staff prepares leasing and contract documents and mails to the owner for signature

Owner reviews documents, signs and returns to HRA

Upon return of necessary contract documents and passed inspection, the HRA issues rent assistance payment to Owner

How does the program work?

The HRA takes applications from families eligible for the program and places them onto a waiting list. Whenever a current recipient leaves the program, the next eligible family on the waiting list is selected, the following sequence occurs:

1. Voucher Issuance

A prospective tenant may come to you with a Voucher in hand, or you can list your available unit with the HRA.

2. Tenant Approved by Owner

Even though a family is determined by the HRA to be eligible for the program, the owner must approve the family as a suitable renter. The HRA knows that the owner has approved the family when a **Request For Tenancy Approval (RTA)** form is submitted.

3. Tenancy and Unit Approved by HRA

After a family finds a suitable housing unit and the owner approves the family, the HRA needs to determine if the unit qualifies for the Section 8 Program. This includes a Housing Quality Standards inspection. (HQS) If the unit does not pass inspection, a reasonable time will be given to make the required repairs.

4. Contract and Lease Signed

If the unit meets the program requirements and the tenancy can be approved, the HRA will enter into a Housing Assistance Payments (HAP) Contract with the owner, *and the family will enter into a lease with the owner.*

5. Housing Assistance Payments Made

After the HAP Contract and lease are signed, the HRA makes the initial HAP payment and continues to make monthly payments to the owner as long as the family continues to meet eligibility criteria and the housing unit qualifies under the program.

Forms & Procedures

HUD requires that any lease signed by a Section 8 tenant must include the HUD Tenancy Addendum, and the HRA Must Approve the tenancy before the lease is signed.

Leasing Process

You must submit your own lease to the HRA along with a Request for tenancy approval (RTA) form. The HRA may review the lease to make sure it does not contain any provision that conflicts with program rules or state law.

The lease must specify all of the following:

- Name of the owner
- Name of the tenant
- Unit rented (address, apartment number, and any other information needed to identify the unit.)
- Term of the lease
 - Initial term
 - Provision for renewal terms
- Amount of the monthly rent to owner
- Utilities and appliances to be supplied by the owner
- Utilities and appliances to be supplied by the tenant

The lease should include the amount of the security deposit. Your lease should also address renewal terms, notice period for termination of tenancy, and rent increases after the initial term.

Request for tenancy approval

The family was given a Request for Tenancy Approval (RTA) at its tenant briefing. When you send the signed RTA to the HRA, it will be reviewed to determine if the unit is the correct size and the proposed rent is approvable.

Tenancy addendum

In addition to the RTA, You must submit to the HRA your standard lease for unassisted tenants with the HUD required Tenancy Addendum attached to it.

Important information about the lease agreement

- The lease agreement must comply with state and local law.
- The Housing Assistance Payments (HAP) contract between the HRA and the owner begins on the first day of the term of the lease and ends on the last day.
- The initial term of the lease must be for at least one year unless the HRA approves a shorter term. The HRA may approve a shorter term under the following two conditions
 - A shorter term would improve housing opportunities for the tenant
 - Shorter terms are the prevailing market practices.

Housing Quality Standards

Units subsidized under the Section 8 Housing program must meet Housing Quality Standards. Dwelling Unit Must Include:

Living room, Kitchen, Bathroom, and one living/sleeping room for every two family members.

Requirements for each room

Ceilings and walls must be in good condition. There must not be any large cracks or any peeling and chipping paint or loose plaster.

Floors must be in good condition. The floor covering must not be curling or have loose edges or holes.

Windows must be in good condition and must open and close. The sills and frames must not be rotting. There can be no cracked, broken or missing window panes. Windows that are within six feet of the ground must have adequate locks that are permanently attached to the window.

All rooms must have two sources of power, except the bathroom which only requires a permanently installed light fixture. The kitchen must have one permanently installed light fixture and one outlet. All outlets and switches must have covers with no exposed, frayed wiring. There must be no open exposed electrical boxes or wires.

Kitchen

Stove – All four burners of the stove must work (gas or electric stove). If the stove is equipped with a pilot light system, burners must light with pilot. The oven must be functional

Refrigerator – The door gasket must be attached to the door securely, forming a proper seal.

Sink – Must have hot and cold running water, a drain with trap, properly hooked to sewer line and cannot leak.

There must be adequate food preparation and storage areas, with adequate means to dispose of food wastes.

Bathroom

There must be a private flush toilet that is fastened tight to the floor. There must be a sink with hot and cold running water with no leaks. There must be a tub or shower. Also, there must be a fan or an open able window. There must be no rotten or weak areas on the floor or any water damage to the ceiling.

Bedroom

There must be either two outlets or one light and one outlet. The window(s) must open and be large enough to use as an emergency exit.

Heating

The dwelling unit must have a heating system that will heat the unit to a comfortable temperature.

Steps/Porches

Any porches, balconies or decks which are more than 30 inches above ground or 4 or more steps must have a railing. All stairs (inside and outside) with four or more steps must have a handrail. All steps must be sturdy.

Site

There must be no hazards in the area such as broken-down buildings or large amounts of trash or junk.

Infestation

There must be no roaches or rodents in the unit.

Smoke Detector

The smoke detector(s) must work and be located in each unit and one on each level.

Garbage Storage

Each unit must have adequate garbage storage facilities.

Rental units must pass inspection before HAP contracts can be drawn up and rent payments issued. The purpose of the inspection is to certify that the units meet HUD's Housing Quality Standards (HQS) regarding decent, safe and sanitary housing.

Types of inspections and their purposes

Initial

- Certify new unit meets HQS.
- Document existing conditions.

Annual

- Determine if renewing unit continues to meet HQS.
- Keep HAP contract in effect.

Complaint

- Prompted by perceived noncompliance of HQS.
- Performed as a result of complaint from family, owner or other source.

Rent Reasonableness

At the time of the inspection, the inspector will also be evaluating the rent reasonableness of the housing unit. The proposed rent will be compared to the rent for other units on the market of similar size, features and amenities.

Although there are no HUD “ceilings” on the rents charged in the Voucher Program, rents must still be reasonable and comparable to those charged for similar unassisted units. The HRA bases the determination of reasonableness and comparability on the unit inspection report and rental market information.

Once the lease and unit are approved, you will enter into a contract with the HRA, and *you will sign a lease agreement with the family.*



Disapproval of Owners

The HRA is not permitted to approve a unit for any of the following reasons:

- The HRA has been notified by HUD that the owner has been debarred, suspended, or subjected to a limited denial of participation by HUD
- The government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other equal opportunity requirements.
- *The owner is the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless approving the unit would provide reasonable accommodation for a family member with disabilities.*

The HRA has discretion to disapprove an owner for any of the following reasons:

- The owner has violated obligations under a Section 8 Housing Assistance Payments Contract
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any HUD program.
- The owner has engaged in drug-related or violent criminal activity.
- The owner has a history or practice of noncompliance with Housing Quality Standards for units leased under the program.
- The owner has a history or practice of failing to terminate the leases of tenants of units assisted under Section 8 or any other HUD program for activity by the tenants, household members, or guests that:
 - Threatens the right to peaceful enjoyment of the premises by other residents.
 - Threatens the health or safety of other residents or PHA employees.
 - Threatens the health, safety, or right to peaceful enjoyment of their premises by residents in the immediate vicinity.
 - Is drug-related or violent criminal activity.
 - The owner has a history or practice of renting units that fail to meet state or local housing codes.
 - The owner has not paid state or local real estate taxes, fines, or assessments.

HRA Disapproval of Tenancies

If the family chooses a unit with a gross rent greater than the payment standard and their share exceeds *40%* of their ***monthly adjusted income***, the HRA is not permitted to approve tenancy.

Contract and Lease Signed

Once the lease and unit are approved, you will enter into a contract with the HRA, and you will sign a lease agreement with the family.

Housing Assistance Payments Made

The HRA will begin making payments to you after the tenancy has been approved and the Housing Assistance Payments Contract has been signed. The HRA will mail a payment on the last working day of the month with the intention that the owner receive payment on the 1st working day of the month and will continue to make payments as long as the following conditions are met:

- The units meets Housing Quality Standards
- The tenant is eligible for assistance.
- The tenant resides in the unit.
- The owner is in compliance with the contract.

Family payments to owner

The family is responsible for paying the difference between the HRA's payment amount and the total rent to owner for the unit. It is the owner's responsibility to collect any portion of the rent payable by the family.

HUD – Required Annual Activities

There are two HUD-required annual activities:

- Recertification of family income and household composition
- Inspection of housing units.

Recertification of Family

HRA's are required to recertify families at least annually. Each family is required to furnish information to the HRA about total family income, allowable deductions from income, and family composition. If a family's income has increased or decreased, the amount of the family's payment to the owner will change, but the total amount received by the owner from both the HRA and the family will not be affected.

Obligations

The HRA will provide advance written notice to the family and to the owner if the family's portion of the rent changes.

On occasion, a family fails to cooperate in the recertification process and, as a result, loses its rental assistance. The HRA will notify the owner if the family's rental assistance is being terminated. The HRA will not make a housing assistance payment to the owner for any month after the month when the family moves out.

Annual Inspection of Units

Every unit must be inspected by the HRA at least once a year. The HRA will provide advance written notice to the family of the date and time of the annual inspection. Written notice will also be given of the results of the inspection.

If the unit does not pass the inspection, a reasonable time will be given to make repairs.

The family is responsible for the repair of any damage beyond normal wear and tear. The family is also responsible for the operation of tenant supplied appliances and the payment of tenant supplied utilities.



Abatement of Payment

According to the HAP contract, the owner is responsible for ensuring that the unit meets Housing Quality Standards during the entire term of the HAP contract. At any time it is determined that the unit does not meet Housing Quality Standards, the HRA will notify the owner in writing and provide a reasonable time for repairs. If the repairs are not made within that time, the HRA is required to abate payments. Although the family will still be responsible for its share of the rent if the HRA abates payments.

Voucher Program Rent Increases

After the initial term of the lease, the owner may increase the rent with a 60 day notice to the family and the HRA. The proposed increase must be reasonable. Any increase cannot make the rent greater than that charged for comparable unassisted units.

Other Changes in the Lease

If the tenant and owner agree to any changes in the lease, the changes must be in writing, and the owner must immediately give the HRA a copy of the changes. Some changes in the lease will not require a new lease or HAP contract. However, the following will all require the owner and tenant to request HRA approval of a new tenancy:

- Any changes in the lease requirements governing tenant or owner responsibilities for utilities or appliances
- Any changes in the term of the lease
- Any moves from one unit to another (including moves to a different unit within the same building or complex)

If the HRA approves the new tenancy, a new lease and HAP contract will be required.

Owner Obligations to Family

Nondiscrimination

All rental property owners are subject to federal and local laws that prohibit discrimination in housing because a person has children or because of the person's sex, age, ethnicity, race, color, family status, or disability.

Violations of fair housing and nondiscrimination laws will result in denial or termination of participation in the Section 8 Program and could result in civil penalties.

It is in your best interest as an owner to utilize the same methods of screening and selection for all renters and to keep complete documentation. At your request, the HRA will furnish you with additional information pertaining to fair housing requirements.

Reasonable Modifications for Disabilities

An owner cannot discriminate against a disabled family and should be aware of his or her obligation to make reasonable modifications to a rental unit for a disabled family at the family's expense. Such modifications are required in the private rental market by the Fair Housing Act.

Notify the HRA if you have, or know of an owner who has units accessible to persons with disabilities.

Owner Obligations to HRA

Program Integrity

Most owners who participate in the Housing Choice Voucher Program comply with the program rules and the terms of the HAP contract, but occasionally some do not. It is always unpleasant when an owner violates the rules and becomes subject to administrative or other, more severe sanctions. The HRA's goal is to prevent any embarrassment or expense that may result from owner violations by making sure that the program rules are understood.

Common Owner Violations

Failing to Maintain a Unit

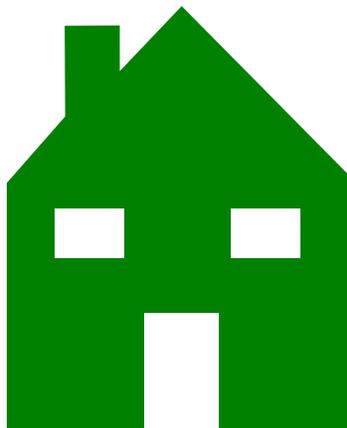
The owner is responsible for the normal maintenance and upkeep of a unit. Repairs for which the owner is responsible should be made in a timely manner.

Accepting Payments for a Vacant Unit

If a family moves in violation of its lease, the Owner must notify the HRA immediately.

Demanding or Accepting Side Payments

The HRA determines the amount a family pays for rent. Any additional payments must be approved by the HRA.



Family Obligations to Owner

The family obligations to the owner are contained in the lease agreement. Families are obligated to pay the rent on time and to take care of the housing unit. Make sure that as a part of your tenant selection process, you review the lease agreement with the family carefully. The family is required to pay its portion of the rent to the owner on time and otherwise in accordance with the terms of the lease. Generally, the owner is required to make repairs and provide routine maintenance, but the family bears some responsibility for ensuring that the unit passes the annual Housing Quality standards.

Utilities

If the family is required to provide any utilities (such as electricity, gas, or water), it must keep them in service. If it fails to do so, the unit will not meet Housing Quality Standards. In that Case, the family will be given a short time to get the utilities back into service.

Appliances

The family is required to supply and maintain any appliances not provided by the owner (such as a stove or refrigerator).

Damages

The family is responsible for repairing any damages to the unit or premises beyond normal wear and tear, even if they are caused by a guest. If the family does not fulfill its obligations for the repair or damages, as stated in the lease, its assistance may be terminated.

Contract Terminations

Link between Contract and Lease

The Hap Contract is an agreement between the owner and the HRA. It runs concurrently with the lease and terminates automatically when the lease terminates.

A HAP contract may also end when a family's income increases to the point that a HRA payment to the owner is no longer necessary. The HAP contract terminates Automatically 180 calendar days after the last assistance payment is made to the owner.

Breach of Contract

Any of the following actions by the owner will be considered a breach of the HAP contract:

- Violating the terms of any HAP contract
- Failing to fulfill any owner obligations under the HAP contract, including HQS
- Committing fraud, bribery, or any other corrupt or criminal act involving a federal housing program
- Failing to comply with or committing fraud, bribery, or any other corrupt or criminal act in connection with a mortgage insured or a loan made by HUD
- Engaging in an drug related criminal activity
- Engaging in an violent criminal activity



Change of Ownership

As a provision of the HAP contract, the owner may not assign the contract to a new owner without the prior written consent of the HRA. Therefore you must notify the Housing Agency if you put the property on the market for sale.

Your HRA representative will provide you with a form to complete if the ownership or management of property changes. Be prepared to provide the PHA with all pertinent information requested to document the change.

Termination of Tenancy by Family

The Family may terminate tenancy in accordance with the lease and Tenancy Addendum. *The family must give the owner and the HRA notice of termination of tenancy before moving from the unit.*

Termination of Tenancy by Owner

During the term of the lease, the owner may terminate tenancy only for:

- Serious or repeated violations of the terms and conditions of the lease, including, but not limited to, failure to pay rent or other amounts due under the lease.
- Violations of federal, state, or local law that impose obligations on the tenant in connection with the use or occupancy of the unit or premises.
- Other good causes, such as the following:
 - Failure by the family to accept the offer of a new or revised lease.
 - Family history of disturbance of neighbors, destruction of property, or living or housekeeping habits resulting in damage to the unit or premises.
 - The owner's desire to use the unit for personal or family use or for nonresidential purposes.
 - Business or economic reasons, such as the sale of the property, renovation of the unit, or a desire to lease the unit at a higher rent.

The owner may not terminate for "good cause" during the initial term of the lease unless the cause is something that the family did or failed to do. At the end of the initial term or at the end of any successive definite term, the owner may terminate the lease without cause.

Owner's Job

In order for the program to work, the owner has a right or responsibility to:

- Screen families who apply to determine if they will be good renters. The HRA can supply you with the current and previous address and landlord information. The HRA may also provide additional information pertaining to a tenant's performance as a renter.
- Consider a family's background regarding factors such as:
 - Paying rent and utility bills
 - Caring for property
 - Respecting the rights of others to peaceful enjoyment of their residences
 - Engaging in drug related criminal activity or other criminal activity that is a threat to life, safety, or the property of others
 - Compliance with other essential conditions of tenancy
- Comply with fair housing laws and discriminate against no one
- Maintain the housing unit by making necessary repairs in a timely manner
- Comply with the terms of the Housing Assistance Payments (HAP) Contract with the HRA
- Collect the rent due by the tenant and otherwise enforce the lease.

Family's Job

In order for the program to work, the family must do the following:

- Provide the HRA with complete and accurate information
- Make their best effort to find a place to live that is suitable for them and qualifies for the program.
- Cooperate in attending all appointments scheduled by the HRA
- Take responsibility for the care of their housing unit
- Comply with the terms of their lease with the owner
- Comply with the family obligations of their Voucher.

