

HOUSING CHOICE VOUCHER OWNER

BRIEFING PACKET

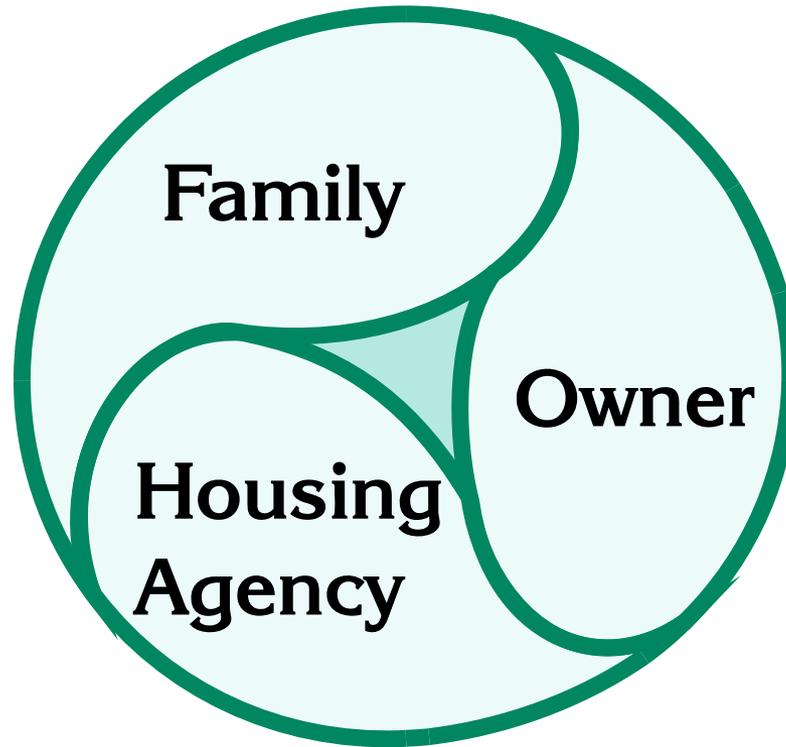


Goal of the Housing Choice Voucher (also known as Section 8) Program

- ❖ **To provide housing assistance for eligible low-income families in our community**
- ❖ **These families include elderly, disabled and working families**

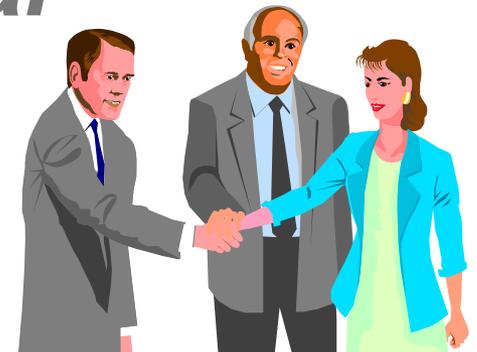


Three-Way Partnership



Commitment to Service

*Our agency is committed
to providing families and
owners with professional
service!*



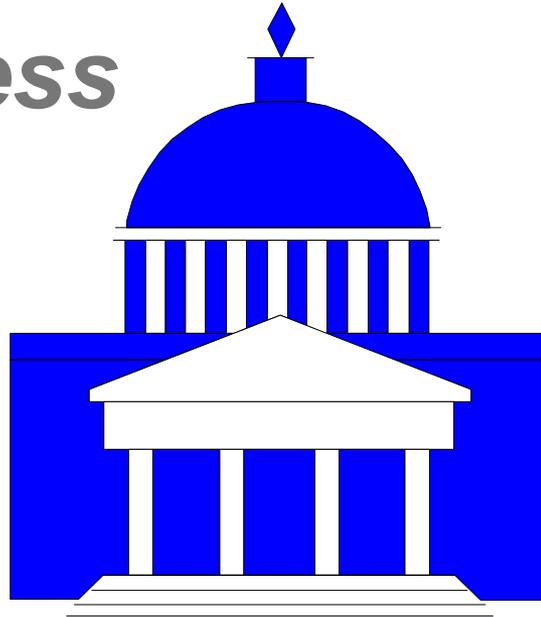
General Information



Assisted Housing Programs

Who Makes the Rules?

Congress

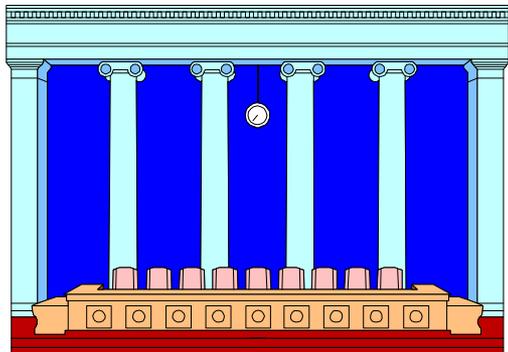


*Passes National Housing
Legislation and allocates funds*

Quality Housing and Work Responsibility Act of 1998

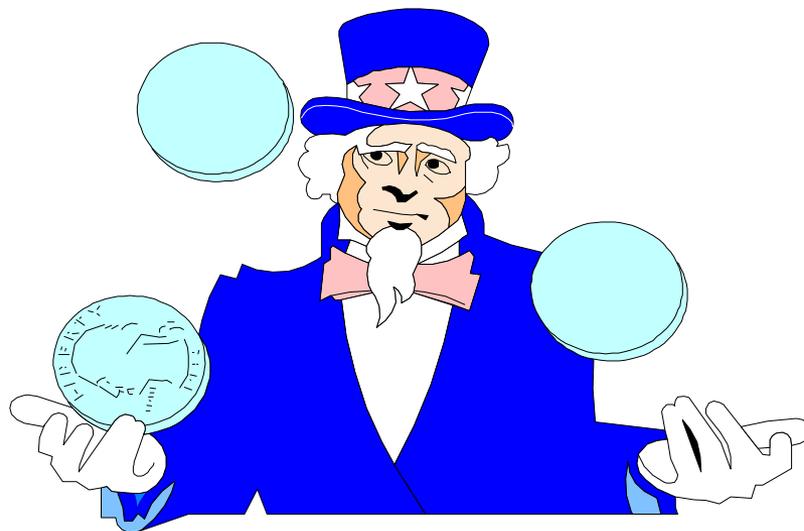
- ❖ **October 21, 1998**
- ❖ **Replaces and revises much of the 1937 Housing Act**
- ❖ **Major changes to the Section 8 program**
- ❖ **Elimination of Certificates**





HUD

- ❖ **Writes regulations to implement laws**
- ❖ **Monitors PHAs**
- ❖ **Distributes funding**

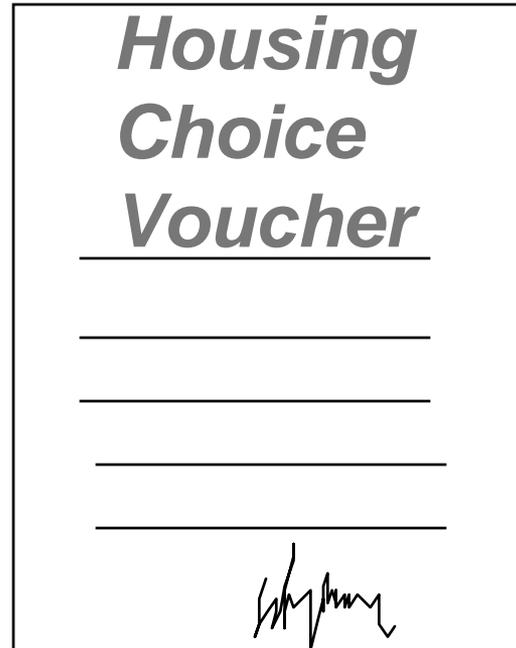




Public Housing Agency (PHA)

- ❖ **Established by State law**
- ❖ **Contracts with HUD**
- ❖ **Implements housing programs**
- ❖ **Has discretion to develop local policies**

Only One Type of Section 8 Assistance

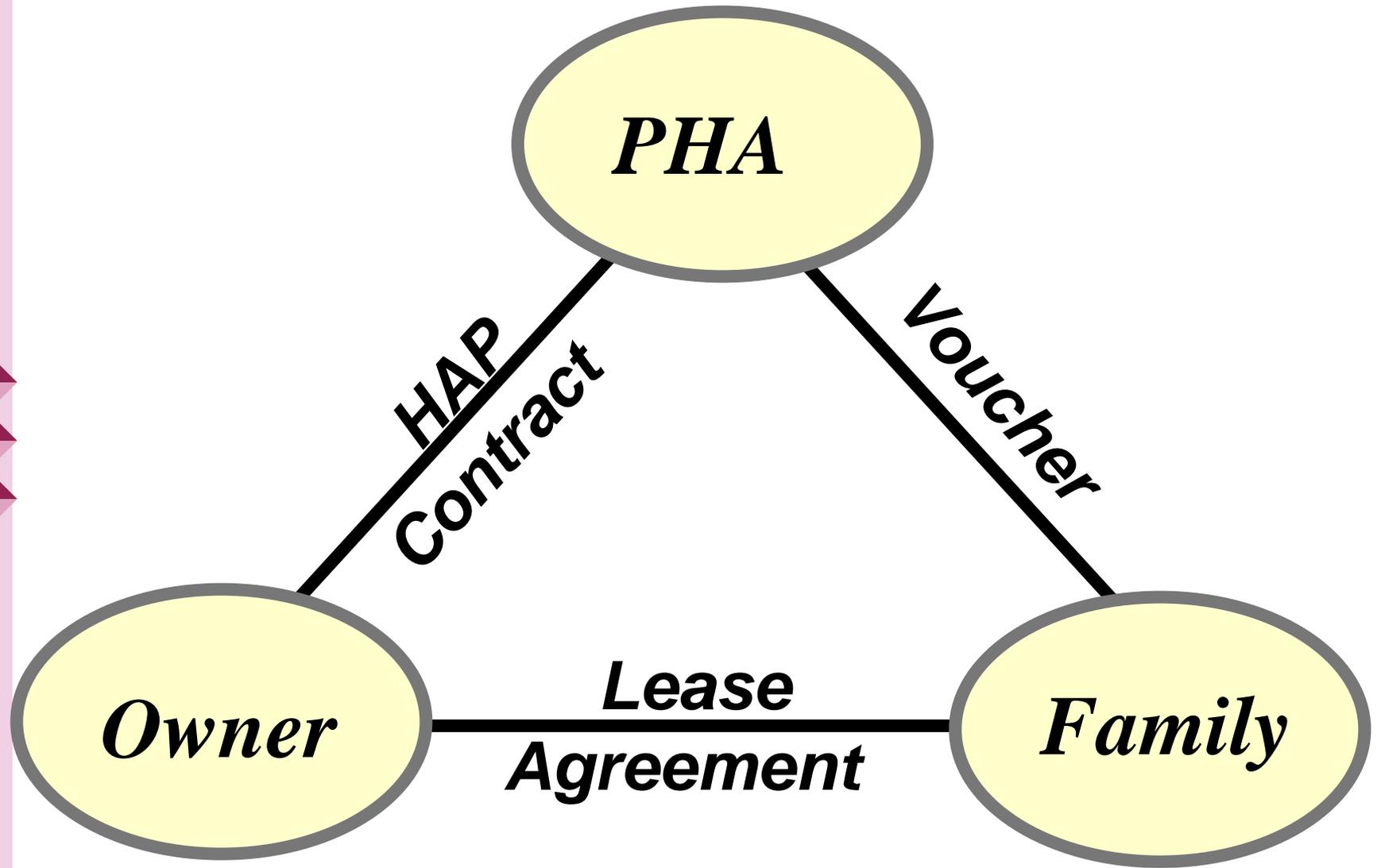


Section 8 Offers Mobility

- ❖ **Families may lease a housing unit anywhere within the jurisdiction of the PHA, provided:**
 - **The unit meets Housing Quality Standards**
 - **The rent is “reasonable,” and**
 - **There is no rent burden at initial leasing**

3-Way Partnership Responsibilities

- ❖ **The PHA, the family and the owner all have responsibilities within the program**
- ❖ **Each has a different contractual relationship**



The PHA's Job

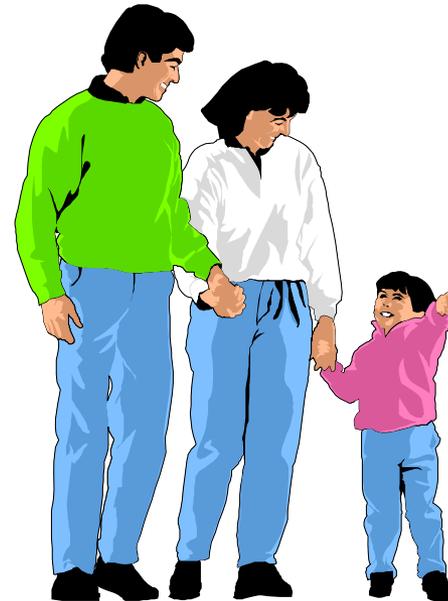
- ❖ **Determine family eligibility**
- ❖ **Approve lease, unit, owner and tenancy**
- ❖ **Make payments to owners**
- ❖ **Reexamine families annually**
- ❖ **Inspect units annually**
- ❖ **Monitor program compliance**

The Owner's Job

- ❖ **Screen families for suitability as renters**
- ❖ **Maintain the housing unit (HQS)**
- ❖ **Comply with HAP Contract**
- ❖ **Collect rent and enforce lease**

The Family's Job

- ❖ **Locate suitable housing**
- ❖ **Take care of housing unit**
- ❖ **Comply with owner's lease**
- ❖ **Comply with program rules**



Advantages to Participating

- ❖ **Right to screen and enforce lease same as unassisted tenants**
- ❖ **Can charge normal security deposit**
- ❖ **PHA portion of rent paid automatically**
- ❖ **Can select terms of lease after initial term**
- ❖ **PHA inspects property annually**

Steps to Owner-Participation in the Section 8 Program



Register With the PHA

- ❖ **Let us know of available units and bedroom size(s)**
- ❖ **Be prepared to show proof of ownership if required by PHA**
- ❖ **We will provide you with information about the program**

Owner Steps

- ❖ **Review Family's voucher**
- ❖ **Screen Family for suitability as renters**

Forms the Family Will Provide You

- ❖ **Request for Approval of Tenancy**
- ❖ **HUD Tenancy Addendum**
- ❖ **Housing Voucher (will list bedroom size)**

Owner Steps

- ❖ **Submit proposed lease (not signed) and Request for Approval of tenancy**
- ❖ **Attend inspection; make repairs**
- ❖ **Execute HAP contract and lease**

When a Family Contacts You



- ❖ **Review voucher**
- ❖ **Check expiration date**
- ❖ **Check bedroom size**

Qualify the Family First

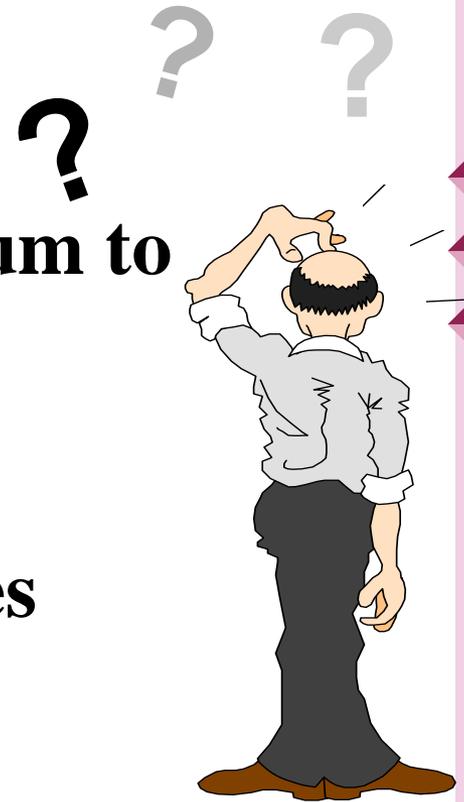
- ❖ **Interview the family**
- ❖ **Check previous rental history (prior landlords, credit, evictions)**
- ❖ **PHA determines income-eligibility only**
- ❖ **Landlord “selects” family as renter**

What Information Will the PHA Provide About the Family?

- ❖ **Current address and landlord**
- ❖ **Previous address and landlord**
- ❖ **PHA representative will discuss policy on providing information about previous rental history in family's file, if available**

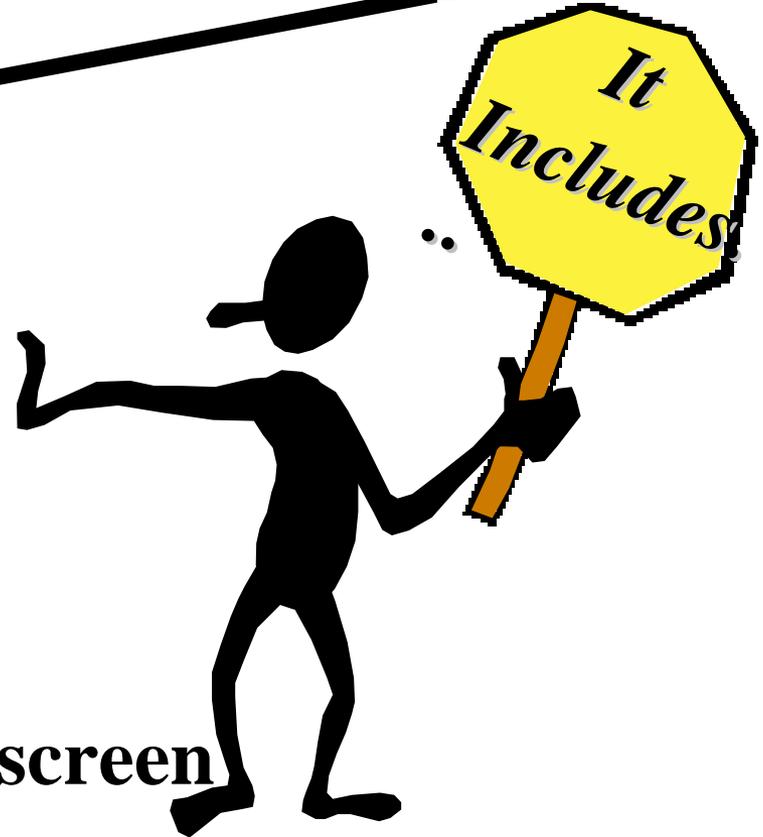
Complete a Proposed Lease

- ❖ **You should provide your own lease**
- ❖ **Must be same as for unassisted tenants**
- ❖ **PHA will attach tenancy addendum to meet HUD requirements)**
- ❖ **Fill out lease, but do not sign**
- ❖ **PHA will review before signatures**



The Request for Tenancy Approval Contains . . .

- ❖ **Proposed rent**
- ❖ **Utility distribution**
- ❖ **Security deposit**
- ❖ **Year constructed**
- ❖ **Lead based paint**
- ❖ **Owner responsibility to screen**

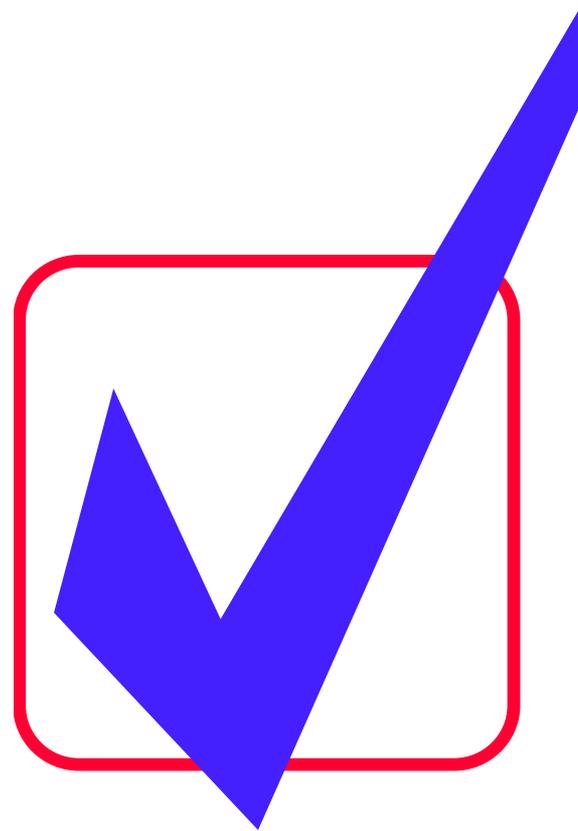


Submit the Proposed Lease and Request for Approval of Tenancy

- ❖ **Fill in all items on Request for Approval of tenancy**
- ❖ **Submit to PHA with your proposed lease**
- ❖ **PHA will determine if lease is approvable and schedule inspection**

Conditions for Unit Approval

- ❖ **Unit must pass Housing Quality Standard Inspection**
- ❖ **Rent must be “reasonable”**



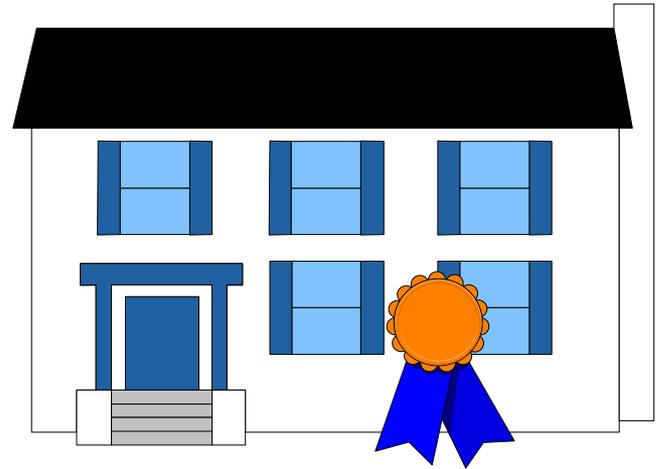
Prepare Unit for Inspection



- ❖ **PHA will provide information on Housing Quality Standards (HQS)**
- ❖ **Review the Inspection Form in packet**
- ❖ **Participate in inspection**
- ❖ **Unit must pass inspection before PHA can make payments**

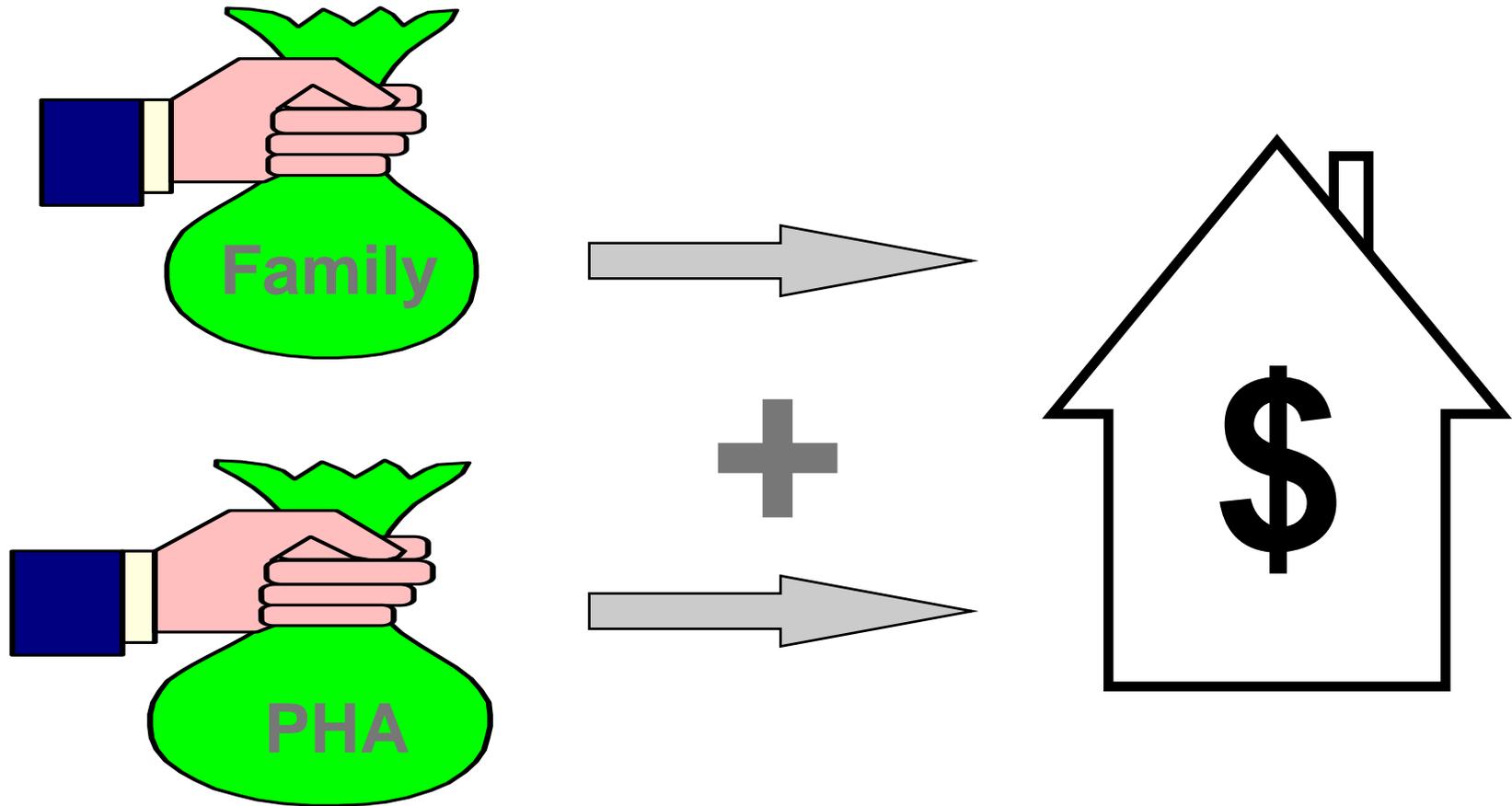
Unit Inspections

- ❖ **Living Room**
- ❖ **Kitchen**
- ❖ **Bathroom**
- ❖ **Other rooms (used for living)**
- ❖ **Secondary (non-living) rooms**



- ❖ **Building Exterior**
- ❖ **Heating and plumbing**
- ❖ **General health and safety**

Unit Rent Determinations



Maximum Rents

- ❖ **Voucher Program uses a Payment Standard (PS) for each bedroom size**
- ❖ **PHA will provide PS schedule**
- ❖ **Rent must be “reasonable” for all assisted units**

Rent Reasonableness



What Is *Reasonable*?

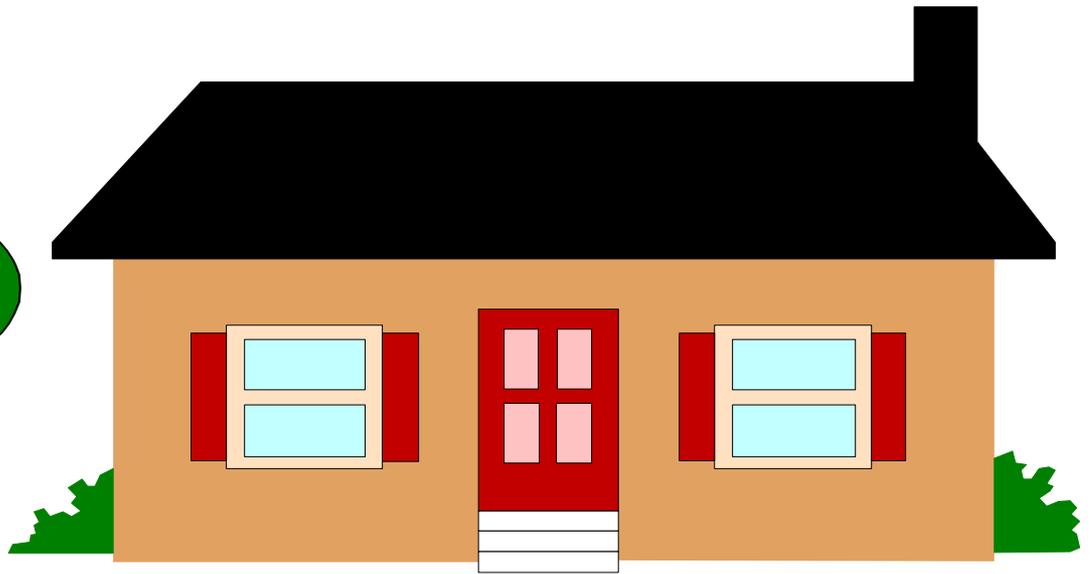
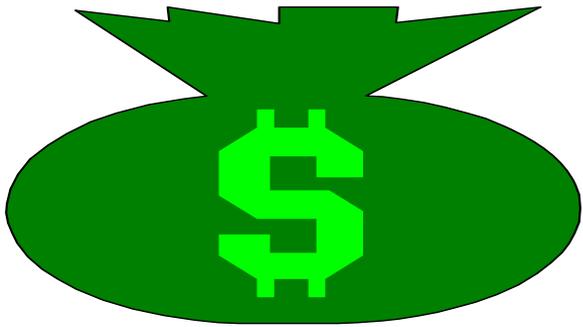
- ❖ **The PHA is required to compare the proposed rent to rents charged for comparable “unassisted” units in the area**
- ❖ **Must determine rent reasonableness whenever approving a rent or rent increase**

HUD Factors of Comparability

- ❖ **Location**
- ❖ **Size (square footage)**
- ❖ **Type (single family detached, apartment)**
- ❖ **Quality (degree to which exceeds HQS)**
- ❖ **Maintenance (upkeep)**
- ❖ **Amenities (ceiling fans/garbage disposal)**

HUD Comparables

- ❖ **Facilities (Parking, pool, storage)**
- ❖ **Utilities (Owner paid vs. Family paid)**



HUD Regulations

- ❖ **Owners must disclose data on comparable unassisted units**
- ❖ **By accepting HAP check, owner certifies that rent is reasonable compared to unassisted units**
- ❖ **HAP contract certifies that owner uses same lease for S8 as for unassisted families**

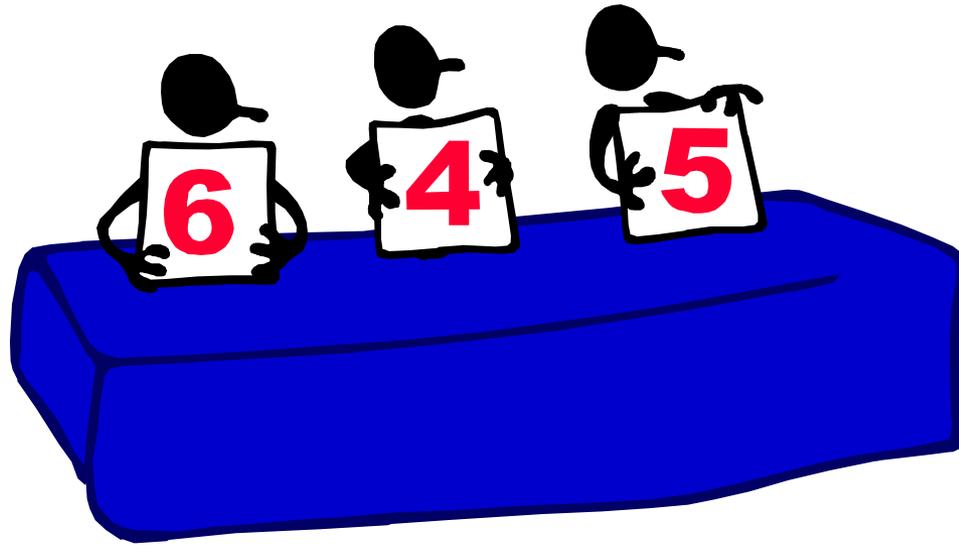
Voucher Rents

- ❖ **Payment Standards are revised annually.**
- ❖ **Payment Standard determines PHA subsidy**
- ❖ **Rent must be “rent-reasonable”**
- ❖ **If rent is approvable, but above Payment Standard, family pays difference**

Family Affordability

- ❖ **If the amount that a family will pay towards rent and utilities exceeds 40% of their adjusted monthly income, the PHA cannot approve the tenancy**

HUD determines how the PHA calculates the maximum subsidy in the Housing Choice Voucher Program



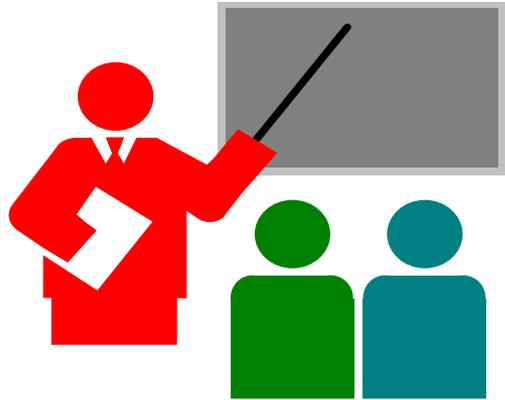
The PHA doesn't just “make it up”!

Housing Choice Voucher Subsidy Formula

- ❖ **Lesser of Gross Rent or Payment Standard minus family Total Tenant Payment (TTP)**
- ❖ **Gross Rent = Rent to owner (unit rent) plus PHA allowance for utilities**

Example

❖ Rent to owner	\$650	
❖ Utility allowance	\$125	
❖ Gross rent	\$775	Greater
❖ Payment Standard	\$700	Lesser
❖ Family TTP	\$400	
❖ PHA HAP payment	\$300	
❖ Family payment	\$350	



Example when GR is below payment standard

Payment Standard		800	Greater
Unit rent		675	
Gross Rent		775	Lesser
TTP	(minus)	200	
Subsidy Payment		575	
Family payment		100	

Family Share When Gross Rent Above Payment Standard

Payment Standard	800 (lesser)
Rent Charged by Owner	800
Gross Rent	950 (greater)
Family TTP	200
Subsidy payment	600
Family rent	200

❖ **Family pays \$100 more because Gross Rent is greater than Payment Standard**

Payments to Owners

- ❖ **PHA makes payments directly to owner**
- ❖ **Owner is responsible to collect family's portion of rent**
- ❖ **Owners can charge late fees**



Annual Activities

Recertification of the Family

Inspection of the Unit

Owner Rent Adjustments

Annual Reexamination of Family



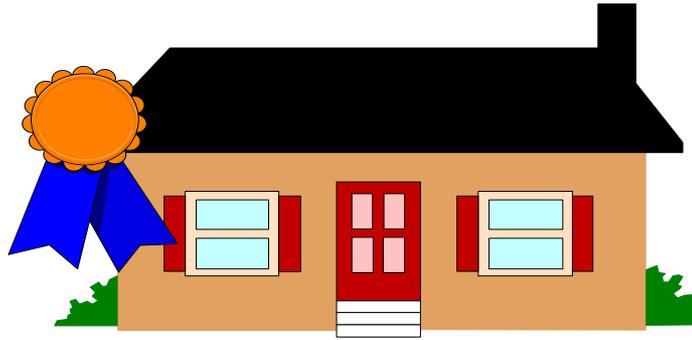
- ❖ **Anticipated family income**
- ❖ **Household members**

Changes in Rent Payments



- ❖ **PHA will provide written notice to owner and family of changes in family's and PHA's rent amount**

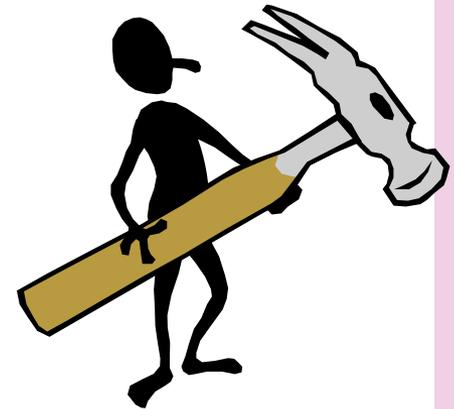
Annual Unit Inspection



- ❖ **PHA schedules appointment**
- ❖ **Advises family and owner of results**
- ❖ **Gives reasonable time for repairs**
- ❖ **If repairs not made by PHA-specified date, PHA is required to take action**

HQS Fails: When Owner Responsible

- ❖ **Owner must make repairs by PHA deadline**
- ❖ **If repairs not made, PHA must either:**
 - **Abate payment from the date of reinspection until repairs are made, or**
- ❖ **Terminate the HAP contract**
- ❖ **PHA must take action by 1st of following month**



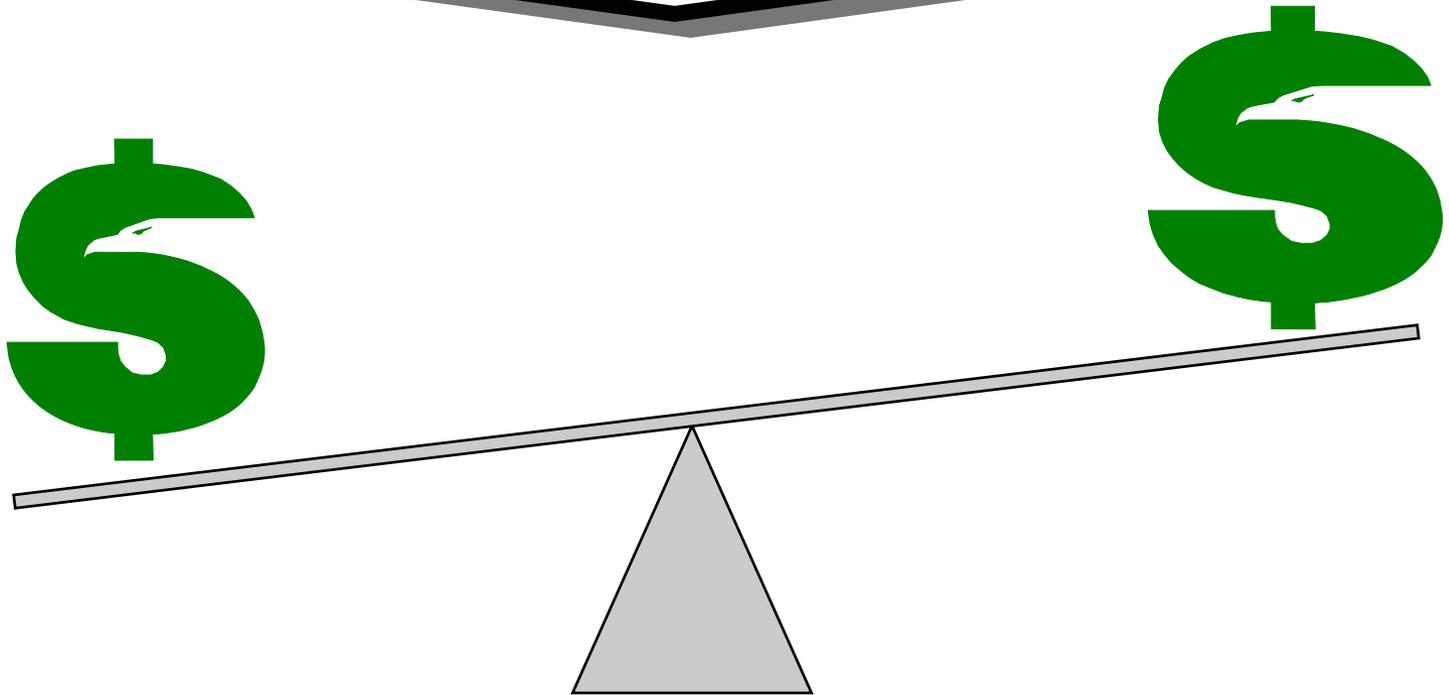
HQS fails for which the family is responsible

- ❖ **Must keep tenant-supplied utilities in service**
- ❖ **Must maintain tenant-supplied appliances**
- ❖ **Is responsible for damages beyond normal wear and tear *resulting in a breach of HQS***

HQS Fails: When Family Responsible

- ❖ **Family must correct HQS fail**
- ❖ **PHA must give family same time-period as owner**
- ❖ **If repairs are not made by specified date PHA must terminate family assistance**

Owner Rent Adjustments



Owner Rent Adjustments

- ❖ **After initial lease term, owner may increase rent with 60 day notice to family and PHA**
- ❖ **If family agrees, proposed increase must meet “reasonableness” test**
- ❖ ***Note: Make sure that your lease addresses rent increases after the initial term!***

Family obligations

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graph TD; A([Family obligations]) --> B([To Owner]); A --> C([To PHA]);
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To Owner

To PHA

Owner

- ❖ Lease defines obligations
- ❖ Owner approves, monitors, and terminates **TENANCY**

PHA

- ❖ Voucher and regulations define obligations
- ❖ PHA approves, monitors, and terminates **ASSISTANCE**

Maintaining HQS

- ❖ **The owner is responsible to maintain the unit up to housing quality standards**

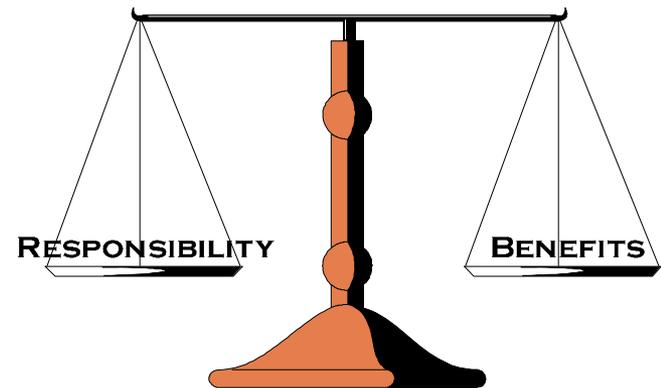
Except

- ❖ **Tenant-supplied utilities, appliances, and damages beyond normal wear and tear that result in HQS breach**

Family Obligations to PHA

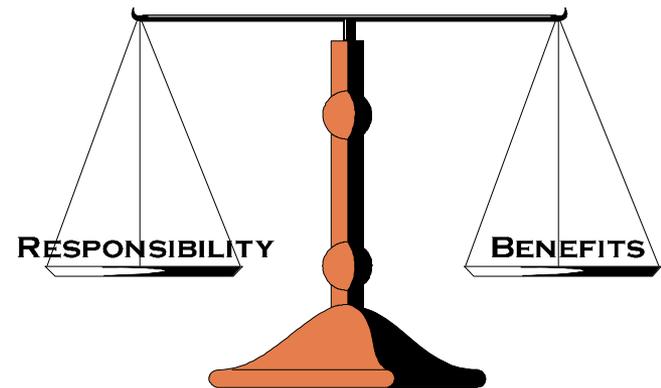
Grounds for termination of assistance

- ❖ **Supply required information**
- ❖ **Disclose and verify SSNs**
- ❖ **Give true and complete information**
- ❖ **Responsible for certain HQS violations**



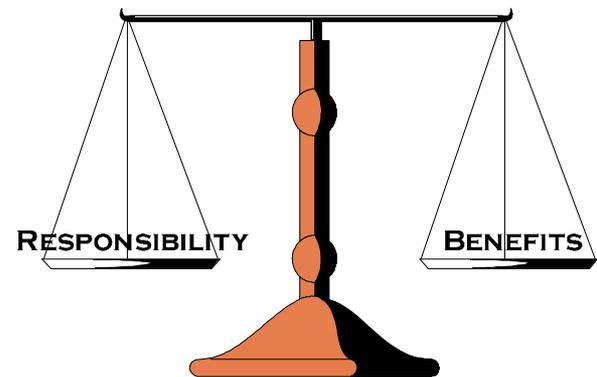
Family Obligations

- ❖ **Allow PHA to inspect unit**
- ❖ **Not commit serious or repeated violations of lease**
- ❖ **Proper notice to owner & PHA of moves or lease termination**
- ❖ **Provide PHA copy of eviction notice**



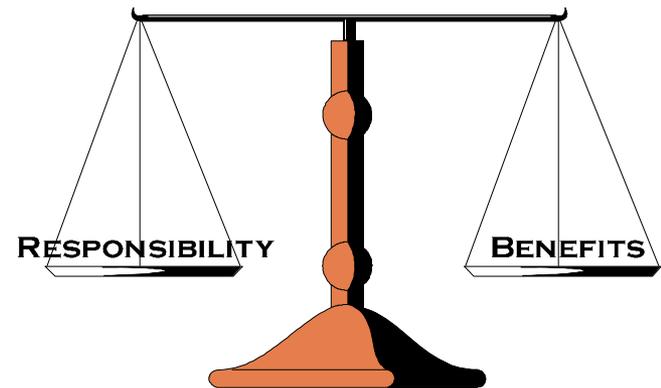
Family Obligations

- ❖ **Use unit as only residence**
- ❖ **Request PHA approval of family members**
- ❖ **Notify PHA if any member moves**
- ❖ **Legal profit making activities in unit subject to approval & lease**



Family Obligations

- ❖ **Must not sublease unit, assign or transfer lease**
- ❖ **Must supply PHA information about family absences from unit**
- ❖ **Must not own or have interest in unit**



Family Obligations

- ❖ **Must not commit fraud, bribery or other criminal or corrupt act**
- ❖ **Must not engage in drug-related or violent criminal activity**
- ❖ **Must not receive duplicative assistance**
- ❖ **Must not damage unit beyond normal wear and tear resulting in HQS breach**

Owner Obligations to Family

- ❖ **Non-Discrimination**
- ❖ **Reasonable modification for disabilities**
- ❖ **Make needed repairs in a timely manner**
- ❖ **Fulfill obligations under the lease**



Most Common Owner Violations/Problems



- ❖ **Failure to maintain unit**
- ❖ **Accepting payments for vacant unit**
- ❖ **Charging tenant side payments**
- ❖ **Not enforcing lease with tenant**
- ❖ **Not preparing for inspections**

Relationship Between Lease and HAP Contract

- ❖ **Family not party to HAP contract**
- ❖ **PHA not party to lease**
- ❖ **Lease becomes “assisted” when HAPC is executed with PHA**
- ❖ **PHA cannot pay until HAP Contract is executed**

Contract and Lease Run Concurrently



Contract

\$



“Assisted” Lease

When One Ends, So Does the Other

Contract terminates

- ❖ **Evictions**
- ❖ **Family terminates tenancy**
- ❖ **Moves**
- ❖ **PHA terminates assistance**
- ❖ **Owner terminates tenancy**

Assisted Lease terminates

Choices in Lease Terms After the Initial Term

- ❖ **Automatic indefinite extension of initial term**
- ❖ **Fixed, definite terms after the initial term (Month-to-month, year-to-year)**
- ❖ **Note: Owner's lease must address utilities and appliances**



Termination of Tenancy by Family

- ❖ **Anytime after initial lease term with proper notice**
- ❖ **Lease cannot require more than 60 days' notice**

Termination of Tenancy by Owner

- ❖ **At the end of the initial term or any consecutive term with proper notice in accordance with the provisions of the lease (only if lease has fixed terms after the initial term)**

Termination *During* the Term of the Lease

- ❖ **Serious or repeated violations**
- ❖ **Violations of Federal, State, Local Law relating to use or occupancy**
- ❖ **Other good cause**

What's "Other Good Cause"?

- ❖ **Failure to accept new/revised lease**
- ❖ **Owner's desire to use unit for personal or non-residential use**
- ❖ **Business or economic reasons**
- ❖ **NOTE: None of these during initial term of lease**

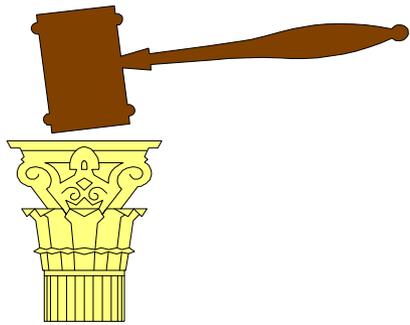
Other Good Cause

- ❖ **Family history of disturbance of neighbors, destruction of property, living or housekeeping habits resulting in damage to the unit or premises**
- ❖ **NOTE: At any time, including initial term of lease**



Criminal Activity

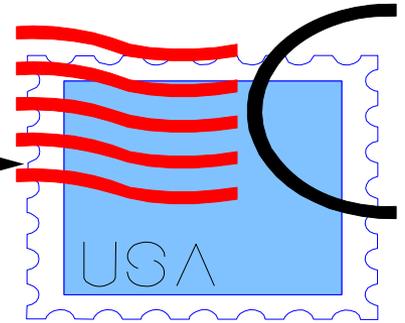
- ❖ **Includes any illegal activity that threatens right to enjoyment of premises by other residents or persons in immediate vicinity**
- ❖ **Any drug-related criminal activity on or near the premises**



Eviction Notice to Family

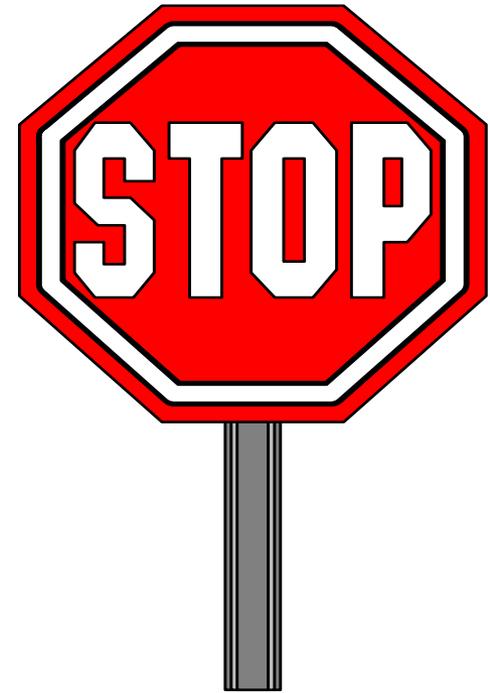
- ❖ **Owner must give written notice of grounds at or before commencement of eviction action**
- ❖ **May be included or combined with eviction notice**

Notice to PHA



- ❖ **Owner must give PHA a copy of any eviction notice given to the family**
- ❖ **Owner may only evict by instituting a court action**

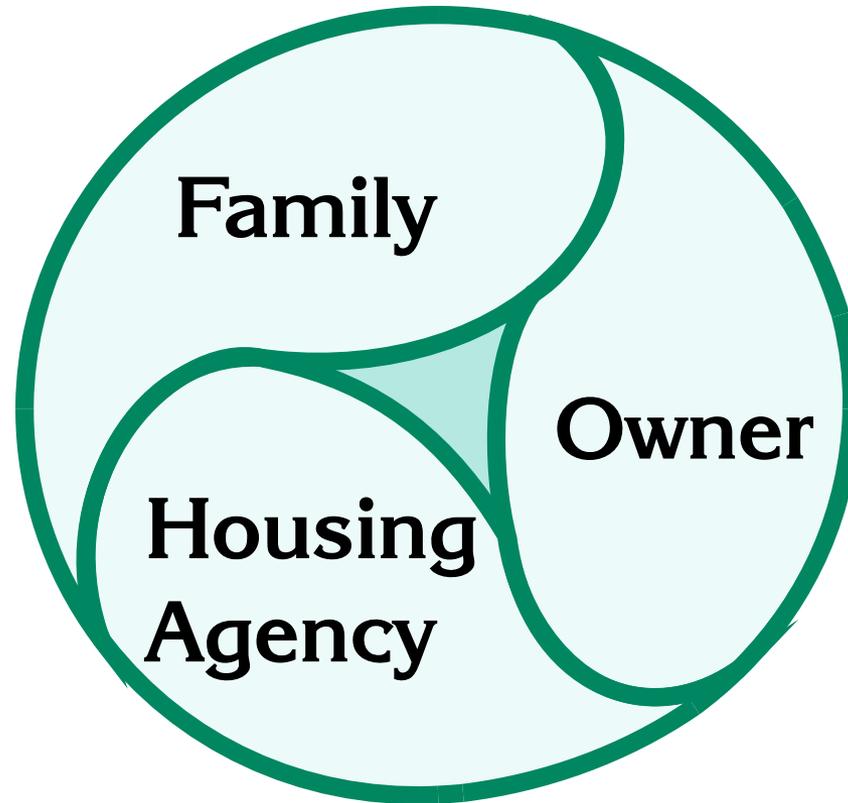
Termination of Family Assistance



- ❖ **PHA will provide advance, written notice**
- ❖ **HAP contract terminates automatically**
- ❖ **Lease becomes “unassisted”**

As a Section 8 Owner, You Help...

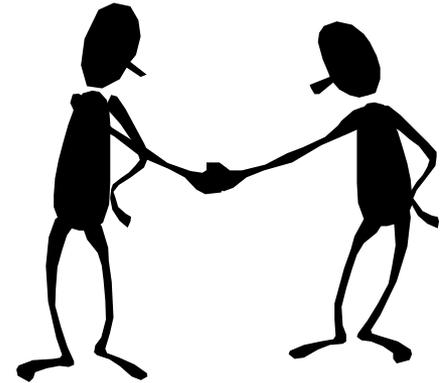
- ❖ **Maintain housing stock**
- ❖ **Foster mobility for families**
- ❖ **Foster stability of neighborhoods**
- ❖ **Provide housing in neighborhoods that are safe for children**



**By working together, we can
make a difference!**



Thank You!



- ❖ **For your interest in our housing programs**
- ❖ **For your interest in our community**
- ❖ **For your interest in helping others.....**

