

# OWNER BRIEFING PACKET

## SECTION 8

### HOUSING CHOICE VOUCHER



**Yuba County Housing Authority**  
915 8<sup>th</sup> Street, Suite 130  
Marysville, Ca 95901  
Phone: 530-749-5460



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## Goal of the Section 8 Housing Program

This guidebook has been prepared in appreciation of your interest in participating in the Section 8 Tenant-Based Assistance Program.

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 **Public Housing Agency (PHA)** being able to contract with property managers and owners who have decent, safe, and sanitary rental units. Although the program was designed to be voluntary, in some states (e.g., Connecticut) it is illegal to simply refuse a **tenant** because he or she is a **participant** in the Section 8 Program. Check with your local or state human rights agency to find out what the fair housing laws are in your state. Many **low-income families** in your community rely on owners like you who are willing to participate in the program.

In most communities, there is a shortage of decent and affordable housing. 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.

## Housing Agency Service Commitment

As a public service agency, the Public Housing Agency's goal is to provide excellent service to the families and owners participating in the Section 8 Program. The PHA will make every effort to inform you of the program rules and to advise you of how these rules affect you. Since federal regulations are not always easy to understand, it is very important to ask questions understand if you are not sure of something.

Do not hesitate to contact a PHA representative if you have a questions or problem that pertains to one of the housing programs.

## **Definitions**

In order to explain the Section 8 Housing Choice Voucher Program, it is necessary to use certain housing terms. For this reason a glossary of commonly used housing terms has been included in the back of this handbook. As you read through the text, you will notice that many terms appear in ***bold italics*** the first time they are used. You will find these and other terms in the glossary.

## **Getting in Touch with You**

Since the PHA may need to contact you from time to time, be sure they have a daytime phone number where you can be reached. After the initial lease-up period, most of your contact with the PHA will probably be by first-class mail. Your cooperation is essential to the PHA's being able to serve you and any family you may select as a renter.

### Responsibilities Within the Section 8 Program

The Section 8 Housing Choice Voucher Program is a three-way partnership among the Public Housing Agency (PHA), the tenant, and the **owner** or **landlord** of the **housing unit** (you).

### Housing Agency's Job

- In order for the program to work, the PHA must do the following:
- Review all applications to determine whether and *applicant* is eligible for the program
- Explain all the rules of the program of the families who qualify.
- Issue a *Voucher* and, if necessary, assist the family in finding a place to live.
- Approve the *unit*, the owner, and the tenancy.
- Make *housing assistance payments* to the owner in a timely manner.
- Ensure that both the family and the unit continue to qualify under the program.
- Ensure that owners and families comply with the program rules.
- Provide families and owners with prompt service.

# 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 PHA can supply you with the current and previous address and landlord information. The PHA 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 the 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 ***Housing Agency***.
- 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 PHA 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 PHA.
- Take the 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

### **Steps for Interested Owners**

If you have one or more rental units and are interested in the program, you may call your local Housing Agency at any time during business hours. The PHA may mail you a packet of information and may offer to schedule at *owner orientation* for you. If you decide to participate in the program, be prepared to furnish proof of legal ownership of any unit(s) that you offer under the program. This is one of *HUD's* requirements for the program

#### **Step 1**

##### **✓ Tenant Found**

A prospective tenant will come to you with a Voucher in hand.

#### **Step 2**

##### **✓ Tenant Approved by Owner**

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

## Step 3

### ✓ Tenancy and Unit Approved by PHA

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

## Step 4

### ✓ Contract and Lease Signed

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

## Step 5

### ✓ Housing Assistance Payments Made

After the HAP Contract and lease are signed, the PHA makes the initial 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.

## **Step 1: Tenant Found**

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When a family is determined to be eligible for the program and funding is available, the Public Housing Agency (PHA) issues the family a *Housing Choice Voucher*. The family receives the voucher at the tenant briefing. They then begin looking for a unit.

When you first see a Section 8 family, they will already have been issued a Voucher.

## **Step 2: Tenant Approved by Owner**

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You should use the same diligence in screening a potential Section 8 tenant as you would any other tenant. To start, ask to see his or her Voucher.

### **✓ Review the Voucher**

Check the expiration date to determine whether the Voucher is still valid. Vouchers expire on this date unless they have been extended by the PHA.

Check the unit bedroom size for which the family has been approved. It will be stated on the voucher

### **✓ Screen the family**

When you are contacted by a prospective renter, evaluate him or her as you would any other renter.

Make sure that your tenant selection standards are based on objective business-related considerations, such as previous history of nonpayment, damage to property, or disturbance of neighbors.

Owners must apply the same standards of tenant selection to any family that applies, whether the family is a prospective Section 8 renter or not. Tenant selection must not be based upon race, color, age, religion, sex, familial status, disability, or any other discriminatory factors.

The PHA does not screen families for their suitability as renters. That is the job of the owner.

## **Security Deposits**

The owner may collect a *security deposit*. The tenant is responsible for payment of the *security deposit*.

## **Step 3: Tenancy and Unit Approved by the PHA**

HUD requires that any lease signed by a Section 8 tenant must include the HUD *Tenancy Addendum* (see copy in Chapter 8), and the PHA must approve the tenancy before the lease is signed.

## **Leasing Process**

You must submit your own lease to the PHA along with a Request for Tenancy Approval (RFTA) form. The PHA may review the lease to make sure it does not contain any provision that conflicts with the 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
  - Provisions 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 (RFTA) form at its tenant briefing. When you provide the signed RFTA to the PHA, it will be reviewed to determine if the unit is the correct size and the proposed rent is approvable.

<p><b>RFTA</b></p> <p>Must be completed &amp; signed</p>	<p><b>Lease</b></p>	<p><b>Tenancy Addendum</b></p>
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## Tenancy Addendum

- In addition to the RFTA, you must submit to the PHA 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 the state and local law.
- The Housing Assistance Payments (HAP) contract between the PHA 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 PHA approves a shorter term. The PHA approves a shorter term. The PHA 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 practice.

## Inspection Process

On receipt and review of the Request for Tenancy Approval, the PHA will notify you and your tenant of the date and time of the Housing Quality Standards inspection. You or your representative should be there.

If the unit passes the initial inspection and the necessary paperwork, and the tenant assistance will begin. Many Has execute HAP Contracts only on the first of the month while others will put families under contract in the middle of the

month prorate the first month's HAP. Check with your local PHA for its policy on the date of HAP Contracts. If the unit does not pass the initial inspection, you will be given a reasonable time period to correct any items that failed.

## **Meeting Housing Quality Standards (HQS)**

Before the PHA can make payments to you on behalf of a tenant family, the unit must meet HUD's minimum Housing Quality Standards. These standards have been implemented by HUD nationwide to ensure that all assisted units meet minimum health and safety standards. The booklet "A Good Place to Live" describes the general aspects of a unit that must be inspected for compliance with HQS. You may obtain much more detailed information from your PHA representative about additional standards that may be required under local code.

### **Prepare the Unit for Inspection**

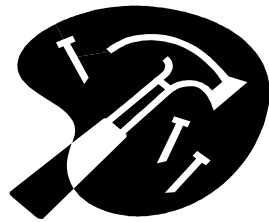
- ✓ Review the information on Housing Quality Standards as you evaluate your rental unit. Try to correct any HQS violations before the inspection. At the time of the inspection, the unit should be "move-in" ready. This will prevent delays in the beginning of the family's rental assistance. If the family is already in the unit, it is a good idea to go over the checklist with them to ensure that the unit will meet the minimum requirements.

### **Participate in the Inspection**

- ✓ You and the family will receive written notification of the date and time of the unit inspection. Take advantage of this opportunity to meet the inspector and to discuss the various aspects of the inspection. It will help you to learn more about HQS so that you will know how best to prepare for other inspections. Once you go through an inspection, you will have a keener eye for what the inspector is looking for. If you have ever had to have a housing inspection to get a mortgage, many of the items are similar.

## Make Repairs Promptly

- ✓ If the housing unit does not pass the initial inspection, you will be notified in writing of any items that failed and given a reasonable time to make repairs. When the repairs are complete, the PHA will verify that they have been made. The PHA is not responsible for any payments until the unit passes inspection and the family has taken occupancy. If the family moves in before the unit has passed, it is responsible for the full amount of the monthly rent.



## Areas Inspected

Eight areas must be reviewed for HQS compliance:

- ✓ Living Room
- ✓ Kitchen
- ✓ Bathroom
- ✓ Other rooms used for living and halls
- ✓ Secondary rooms (not used for living, such as a laundry room)

- ✓ Building exterior
- ✓ Heating and plumbing
- ✓ General health and safety

## Ratings

There are three ratings for the conditions verified by the Inspector: pass, inconclusive, and fail.

- *Pass* means the condition meets the minimum requirement
- *Inconclusive* means that more information is needed for the inspector to make a determination. For example, if the electricity and gas are not in service on the date of the inspection, the inspector will mark “inconclusive” until services turned on and verified.
- *Fail* means that the condition does not meet the minimum requirement and must be brought up to the standard before the tenant can receive rental assistance on the unit. All fail items must be corrected and approved prior to the execution of the Housing Assistance Payments Contract.

## HQS Checklist

The following is a listing of the conditions that must be verified by the housing inspector:

### Living Room

- Is there a living room?
- Are there at least two working outlets or one working outlet and one working light fixture?

- Is the room free of electrical hazards?
- Can all windows and doors accessible from the outside be locked?
- Is there at least one window, and are all windows free of signs of severe deterioration or missing or broken windowpanes?
- Are the walls, ceilings, and floors in good condition and free of hazardous defects?
- Are painted surfaces free of defective paint or adequately treated? Of special concern is potential lead poisoning of children under six. Dwelling units constructed before 1978 will be visually inspected by the HQS inspector.

## **Kitchen**

- Is there a kitchen?
- Are there at least one working outlet and one working, permanently installed light fixture.
- Is the kitchen free of electrical hazards?
- Can the windows and doors accessible from the outside be locked?
- Are all windows free from signs of deterioration or missing or broken windowpanes?
- Are the walls, ceilings, and floors in good condition and free of hazardous defects?
- Is there a working refrigerator that maintains a temperature low enough so that food does not spoil over a reasonable period of time?
- Is there a working kitchen sink with hot and cold running water?

- Is there space to store, prepare, and serve food?
- Are painted surfaces free of defective paint or adequately treated? Of special concern is potential lead poisoning of children under six. Dwelling units constructed before 1978 will be visually inspected by the HQS inspector.

## Bathroom

- Is there a bathroom?
- Is there at least one permanently installed light fixture?
- Is the bathroom free of electrical hazards?
- Can all windows and doors accessible from the outside be locked?
- Are all walls, ceilings, and floors in good condition and free of hazardous defects?
- Is there a working, permanently installed wash basin with hot and cold running water in the unit?
- Is there a working tub or shower with hot and cold running water in the unit?
- Are painted surfaces free of defective paint or adequately treated? Of special concern is potential lead poisoning of children under six. Dwelling units constructed before 1978 will be visually inspected by the HQS inspector.
- Is there a window that can be opened or a working vent system?

## Other Rooms Used for Living and Halls

- If the room is used as a bedroom, are there at least two working outlets or one working outlet and one working, permanently installed light fixture? If the room is not used for sleeping, is there a means of illumination?
- Is the room free of electrical hazards?
- Can all windows and doors accessible from the outside be locked?
- If the room is used as a bedroom, is there at least one window? Are all windows free of signs of severe deterioration or missing or broken windowpanes?
- Are all walls, ceilings, and floors in good condition and free of hazardous defects?
- Are painted surfaces free of defective paint or adequately treated? Of special concern is potential lead poisoning of children under six. Dwelling units constructed before 1978 will be visually inspected by the HQS inspector.
- Is there a working smoke detector on each level? Do the smoke detectors meet the requirements of the Fire Administration Authorization Act of 1992?
- In units occupied by the hearing impaired, is there an alarm system connected to the smoke detector?

## All Secondary Rooms (Not Used for Living)

- Can all windows and doors accessible from the outside be locked?
- Are all rooms free of electrical hazards?

## Building Exterior

- Is the foundation sound and free of hazards?
- Are all the exterior stairs, rails, and porches sound and free of hazards?
- Are the roof, gutters, and downspouts sound and free of hazards?
- Are exterior surfaces sound and free of hazards?
- Are painted surfaces free of defective paint or adequately treated? Of special concern is potential lead poisoning of children under six. Dwelling units constructed before 1978 will be visually inspected by the HQS inspector.
- If the unit is a manufactured home, is it properly placed and tied down?

## Heating and Plumbing

- Is the heating equipment capable of providing adequate heat (either directly or indirectly) to all rooms used for living?
- Is the unit free of unvented fuel-burning space heaters and other unsafe heating conditions?
- Do the windows allow for adequate ventilation and cooling, or is there a working cooling system?
- Is the water heater safely located, equipped, and installed?
- Is the unit served by an approved public or private sanitary water supply?
- Is the plumbing free of major leaks or corrosion that causes serious said persistent levels of rust or contamination in the drinking water?

- Is the plumbing free of major leaks or corrosion that causes serious and persistent levels of rust or contamination in the drinking water?
- Is the plumbing connected to an approved public or private disposal system, and is it free of sewer back-up?

## General Health and safety

- Can the unit be entered without having to go through another unit?
- Is there an alternative fire exit from the building that is not blocked and that meets local or state regulations as an acceptable exit?
- Is the unit free of heavy accumulation of garbage or debris inside and outside?
- Are there adequate covered facilities for temporary storage and disposal of food wastes, and are they approvable by a local agency?
- Are interior stairs and common halls free of hazards (e.g., inadequate lighting, missing or insecure railings, and loose, broken, or missing steps)?
- Is the unit free of abnormally high levels of air pollution from vehicular exhaust? Are the site and immediate neighborhood free of conditions that would seriously and continuously endanger the health or safety of the residents?

## Other Requirement

- Are tenant-supplied utilities separately metered?

## Most Common Fail Conditions

- Nonfunctional smoke detectors
- Missing or cracked electrical outlet cover plates
- No railings where required
- Peeling exterior and interior paint
- Tripping hazards caused by permanently installed floor coverings (carpets/vinyl)
- Cracked or broken windowpanes
- Inoperable bathroom fans or no ventilation in bathroom
- Leaking faucets or plumbing
- No temperature/pressure-relief valve on water heaters

## **Unit Rent Determinations**

### 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 the 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 PHA bases the determination of reasonableness and comparability on the unit inspection report and rental market information.

## PHA 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 PHA is not permitted to approve tenancy.

## PHA Disapproval of Owner

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

- The PHA has been notified by HUD that the owner has been debarred, suspended, or subject to a limited denial of participation by HUD.
- The government has instituted an administrative or judicial 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 PHA has discretion to *disapprove* an owner fro 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.
- 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.

## **Step 4: Contract and Lease Signed**

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

## **Step 5: Housing Assistance Payments Mode**

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The PHA will begin making payments to you after the tenancy has been approved and the Housing Assistance Payments Contract has been signed. The PHA will mail a payment on or about the first of each month and will continue to make payments as long as the following conditions are met:

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

If the PHA fails to make timely payments, it may be obligated by state or local law to pay a late fee.

### **Family Payments to Owner**

The family is responsible for paying the difference between the PHA'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***

PHAs are required to recertify families at least annually. Each family is required to furnish information to the PHA 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 PHA and the family will not be affected.

### Changes in Payments

The PHA 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 PHA will notify the owner if the family's rental assistance is being terminated. The PHA will not make a housing assistance payment for the owner for any month after the month when the family moves out.

## Annual Inspection of Units

Every unit must be inspected by the PHA at least once a year. The PHA will provide advance written notice to the owner and 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 Payments

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 PHA will notify the owner in writing and provide a reasonable time for repairs. If the repairs are not made within that time, the PHA is required to abate payments. Although the family will still be responsible for its share of the rent if the PHA abates payments, the wise owner will monitor the condition of the unit and make repairs promptly.

## Voucher Program Rent Increases

After the initial term of the lease, the owner may increase the rent with 60-day notice to the family and the PHA. The proposed increase must be reasonable. Check with your PHA representative for information on the PHA's policy on rent increases in the Voucher Program.

Remember, your lease must allow for rent increases after the initial term. 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 PHA 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 PHA approval of a new tenancy:

- Any changes in 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 PHA approves the new tenancy, a new lease and HAP Contract will be required.

## 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 part of your tenant selection process, you review the lease agreement with family carefully. The family 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 inspection.

### ➤ 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 of damages, as stated in the lease, its assistance may be terminated.

## **Family Obligations to PHA**

Families who participate in the Section 8 Housing Choice Voucher Program are required by HUD to comply with certain family obligations. These obligations are listed below as well as the Housing Choice Voucher.

### ➤ **Required Information**

The family must supply any information that the PHA or HUD determines is necessary for the administration of the program or for certifying or recertifying a family. This includes evidence of citizenship or eligible immigration status. It also includes information about family income and household composition (the people living in the family's unit).

### ➤ **Social Security Numbers**

The family must disclose and verify social security numbers and must sign and submit consent forms allowing the PHA to obtain information.

➤ **Truthfulness**

Any information provided by the family must be true and complete.

➤ **HQS Violations**

The family is responsible for curing any HQS violations caused by any of its household members or any of their guests.

➤ **Unit Inspections**

The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.

➤ **Lease Violations**

The family may not commit any serious or repeated violation of the lease.

➤ **Moving**

The family must notify the owner and the PHA in writing before moving out of the unit or terminating its lease.

➤ **Eviction**

The family must promptly give the PHA a copy of any eviction notice it receives from the owner.

➤ **Housing Use**

The family must use the assisted unit primarily as a residence, and the unit must be the family's only residence.

➤ **Family Composition**

The members of the family must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption, or court-awarded custody of a child and it must request PHA approval to add any other family member as an occupant of the unit.

➤ **Other Household Occupants**

A foster child or *live-in aide* may reside in the unit if the family obtains the approval of the PHA.

➤ **Reduction in Family Size**

The family must promptly notify the PHA if a family member no longer resides in the unit.

➤ **Profit-Making Activities**

Family members may engage in legal profit-making activities in the unit, but only if such activities are incidental to the primary use of the unit as the family's residence. The lease may contain additional restrictions.

➤ **Subleasing**

The family may *not* assign the lease or transfer the unit to anyone else.

➤ **Assigning or Transferring**

The family may *not* assign the lease or transfer the unit to anyone else.

➤ **Absences**

The family must supply any information or certification requested by the PHA for the purpose of verifying that the family is actually living in the unit. It must also promptly the PHA in writing when it intends to be away from the unit for any extended period.

➤ **Ownership or Interest**

The family may *not* own or have any ownership interest in the unit.

➤ **Corruption**

The members of the family may *not* commit fraud, bribery, or any other corrupt or criminal act in connection with the program.

➤ **Crime**

The members of the family may *not* engage in either drug-related or violent criminal activity.

➤ **Other Housing Assistance**

The members of the family may *not* receive Section 8 assistance while receiving another housing subsidy for the same unit or a different unit under any other federal, state, or local housing assistance program.

### ➤ **Alcohol or Substance Abuse**

The members of the family may *not* engage in the illegal use of a controlled substance and may *not* abuse alcohol in a way that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

### ➤ **Owner and Housing Agency Communication**

Since many of these family obligations involve the owner, communication between the PHA and the owner is vital to the success of the program. For example, if the owner intends to evict the family for serious or repeated violations of the lease, the owner's notice must be clear and complete so that the PHA can determine whether a family obligation has been violated.

## **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 PHA 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 PHA if you have, or know of an owner who has, units accessible to persons with disabilities.

## Owner Obligations to PHA

### 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 PHA'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 matter.

## ➤ **Accepting Payments for a Vacant Unit**

If a family moves in violation of its lease, the owner must notify the PHA immediately.

## ➤ **Demanding or Accepting Side Payments**

The PHA determines the amount a family pays for rent. Any additional payments must be approved by the PHA. Any payments for rent accepted by the owner that have not been approved by the PHA must be immediately returned to the tenant.

# **Contract Terminations**

## **Link Between Contract and Lease**

The HAP Contract is an agreement between the owner and the PHA. 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 PHA 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 by HUD
- Engaging in any drug-related criminal activity
- Engaging in any 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 PHA. Therefore you must notify the Housing Agency if you put the property on the market for sale.

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

### **Termination of Tenancy by Family**

The family unit may terminate tenancy in accordance with the lease and Tenancy Addendum. The family must give the owner and the PHA 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 of 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 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 good cause.

## **Criminal Activity**

Cause for termination of tenancy includes any illegal activity that threatens the health, safety, or right to peaceful enjoyment by other residents or persons residing in the immediate vicinity of the premises. It also includes any drug-related or violent criminal activity on or near the premises.

## **Owner Notice to Terminate Tenancy**

The owner may evict a tenant only by instituting a court action. The owner must give the tenant written notice of the grounds for termination of tenancy at or before the commencement of the eviction action. The notice may be included in or combined with any eviction notice the owner gives to the family. The owner must also give a copy of the eviction notice to the PHA.

## **Termination of the Housing Assistance by Housing Agency**

If the PHA terminates program assistance to a family, the HAP Contract for the family terminates automatically. The PHA will always provide the owner with advance written notice of termination of assistance. Rental assistance can be terminated if a family fails to fulfill its obligations under the program or if it seriously or repeatedly violates the lease.

Congratulations! By reading this far, you have wisely invested time in becoming familiar with the Section 8 Housing Choice Voucher Program. More than one million families nationwide have been served by the Section 8 tenant-Based Assistance Program.

### **Owner Benefits**

One of the reasons for the program's success is that owners like you have taken the time to learn the rules and have recognized some of the benefits of becoming a participation landlord. Over the years, many owners and property managers have come to appreciate the advantages of having a contracted monthly assistance payment as well as minimum inspection standards. Keeping your property consistently well maintained helps ensure both its resale value and its appeal to prospective tenants when a family moves out.

The Section 8 Program has also introduced many novice property owners to key property management principles regarding tenant selection and lease enforcement, and it has helped others develop better building maintenance skills.

### **Family Benefits**

The program has also been successful because it provides families with the opportunity to choose rental units and neighborhoods that meet their needs. Unlike project-based housing programs, tenant-based programs allow families to take their rental assistance with them. Having this flexibility has enabled many families to pursue employment and educational opportunities, reunite with their friends and extended families, live in a better climate, or move out of unsafe neighborhoods. Owner participation is essential to making these opportunities a reality.

## **A Final Note**

Information and cooperation are two key ingredients to developing a rewarding relationship with a PHA and family in leasing your rental unit. With the help of this handbook and your PHA representative, you are sure to among those in the winner's circle!

**Good Luck!**

## **Chapter 7**

## **Glossary of Section 8 Housing Terms**

**Adjusted income:** Annual income less allowable HUD deductions and expenses.

**Admission:** Admission is the effective date of the first HAP contract for a family (first day of initial lease term)

**Annual income:** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income.

**Applicant:** A family that has applied for admission to a housing program but has not yet been awarded a program voucher.

**As-paid states:** States where a welfare agency adjusts the shelter and utility component of a welfare grant in accordance with actual housing costs.

**Child care expenses:** Amounts paid by a family for the care of minors under age 13 if such care is necessary to enable a family member to be employed, to further his/her education, or to seek employment.

**Co-head:** An individual in a household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent.

**Contract rent:** See *rent to owner*.

**Covered families:** Statutory term for families that are required to participate in a welfare agency economic self-sufficiency program and that may be subject to a welfare benefit sanction for noncompliance with this obligation.

**Dependent:** A member of a family (excluding the family head, spouse, and any foster child) who is under 18 years of age is a disabled person, or is a full-time student.

**Disabled family:** A family whose head, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person:** See *person with disabilities*.

**Displaced person:** A person who has been displaced by governmental action or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster Relief laws.

**Drug-related criminal activity:** Drug trafficking or the illegal use or possession for personal use of a controlled substance as defined in section 102 of the Controlled Substances Act.

**Drug trafficking:** The illegal manufacture, sale, or distribution of a controlled substance, or the possession of such a substance with intent to manufacture, sell, or distribute it.

**Economic self-sufficiency program:** Any program designed to encourage, assist, train, or facilitate the economic independence of assisted families or to provide work for such families—including job training, employment counseling, work placement, basic skills training, general education, English proficiency training, workfare, financial or household management training, apprenticeships, and other programs necessary to prepare people to work (such as treatment for drug abuse or mental health treatment).

**Elderly family;** A family whose head, spouse, or sole member is a person who is at least 62 years of age; two or more persons who at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live –in aides.

**Elderly person:** A person who is at least 62 years of age.

**Excess medical expenses:** Any nonreimbursable medical expenses incurred by an elderly family in excess of 3% of the family's annual income.

**Extremely low-income family:** A family whose annual income does not exceed 30% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

**Fair market rent (FMR):** The amount that must be paid in a given area to rent existing, privately owned housing of a modest nature, with suitable amenities, and in decent, safe, and sanitary condition. FMR's are established by HUD. They vary by unit size as well as by housing market area and include the cost of all utilities except phone.

**Family rent to owner:** The amount payable monthly by a family as rent to an owner in a Section 8 program.

**Foster child care payment:** Payment to eligible households by state, local, or private agencies appointed by the state to administer the care of foster children.

**Full-time student:** A person who is carrying a subject load considered full time for day students under the standards and practices of the educational institution he/she attends, which may include a vocational school offering a diploma or program as well as an institution offering a college degree.

**Gross rent:** The sum of the Rent to Owner plus any utility allowance. If there are no tenant-paid utilities, the Rent to Owner equals the Gross rent.

**Head of Household:** The person who assumes legal and financial responsibility for a household and is listed on a housing application as its head.

**Housing Agency (HA):** Same as *Public housing Agency (PHA)*.

**Housing Assistance Payment (HAP):** The monthly assistance payment by a PHA, which includes:

- 1) A payment to the owner for rent to the owner under the family's lease; and
- 2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

**Housing Assistance Payments (HAP) Contract:** A written agreement between a PHA and a housing owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family. A HAP contract defines the responsibilities of both the PHA and the owner.

**Housing Choice Voucher:** See *Voucher*.

**Housing Quality Standards (HQS):** The HUD minimum quality standards for housing assisted under the Section 8 programs.

**Housing unit:** Same as *unit*.

**HUD:** The Department of Housing and Urban Development or its designee.

**Imputed asset:** An asset disposed of for less than fair market value during two years preceding certification or recertifications.

**Imputed income:** The HUD passbook rate times the total cash value of assets when assets exceed \$5,000.

**Imputed welfare income:** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction but is included in the family's annual income and is therefore reflected in the family's rental contribution.

**Landlord:** Either the legal owner of a property or the owner's designated representative or managing agent.

**Lease:** A written agreement between an owner and an eligible family for the leasing of a housing unit.

**Lease addendum:** See *Tenancy Addendum*.

**Live-in aide:** A person who resides with an elderly or disabled person and who (a) is determined by a PHA to be essential to the care and well-being of the person, (b) is not obligated for support of the person, and (c) would not be living in the unit except to provide necessary supportive services.

**Low-income family:** A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

**Medical expenses:** Total medical expenses that are anticipated during the period for which annual income is computed and are not covered by insurance. (Only elderly families or disabled families qualify.)

**Minor:** A member of a family (excluding the head, spouse, live-in aide, or foster child/adult) who is under 18.

**Monthly adjusted income:** One-twelfth of annual income after allowances.

**Monthly income:** One-twelfth of annual income before allowances.

**Net family assets:** The value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment.

**Owner:** Any person or entity (including a principal or other interested party) with the legal right to lease or sublease a unit to a participant.

**Owner orientation:** A meeting with a PHA representative for the purpose of learning the rules and procedures for participating as an owner in the Section 8 Program.

**Participant:** A family that has been admitted to a PHA program and is currently being assisted in the program.

**Payment standard:** The maximum subsidy payment for a family under the Voucher Program. The PHA sets a payment standard between 90% and 110% of the current HUD-published FMR.

**Person with disabilities:** A person who has a disability as defined in 42 U.S.C. 423 or 42 U.S.C. 6001. A person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. The definition includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability solely on drug or alcohol dependence.

**Portability:** The ability of a family to move with its Section 8 tenant-based assistance from the jurisdiction of one PHA to that of another.

**Premises:** The building or complex in which a dwelling unit is located, including common areas and grounds.

**Public assistance:** Welfare or other payments that are based on need and are made to families or individuals under programs funded separately or jointly by federal, state, or local government.

**Public Housing Agency (PHA):** Same as Housing Agency (HA). Any state, county, municipality, or other government entity or public body that is authorized to engage or assist in the development or operation of housing for low-income families.

**Reasonable modification:** The fair housing requirement that allows persons with disabilities to make adjustments to their rental units at their own expense.

**Reasonable rent:** A rent to owner that is not more than either:

- (1) the rent charged for comparable units in the private unassisted market or
- (2) the rent charged by the owner for a comparable unassisted unit in the building or on the premises.

**Recertification:** Sometimes called reexamination, the process of securing documentation of total family income used to determine the rent a family will pay for the next 12 months if no interim changes are reported by the family.

**Remaining member of tenant family:** Person left in assisted housing after other family members have left.

**Rent reasonableness:** *See reasonable rent.*

**Rent to owner:** The monthly rent payable to the owner under the lease. Rent to owner includes payment for any services, maintenance, and utilities to be provided by the owner in accordance with the lease.

## **Request for Tenancy Approval (RFTA):**

A PHA form completed by an owner and family and used by the PHA to determine whether a unit is eligible and a lease complies with program requirements.

## **Security deposit:**

A dollar amount that can be collected from a family by an owner and used for amounts owed under a lease according to state or local law.

## **Single person:**

A person living alone or intending to live alone.

## **Specified welfare benefits reduction:**

A reduction of welfare benefits (for a covered family) that may not result in a reduction of a family's rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

## **Spouse:**

The marriage partner of a head of household.

## **Subsidy standards:**

Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Tenancy Addendum:**

A HUD-designed addition to an owner’s lease that includes word-for-word-, all HUD-required language.

**Tenant:**

The person who executes a lease as lessee of a dwelling unit.

**Total tenant payment (TTP):**

The local amount the HUD rent formula requires a tenant to pay toward rent and utilities.

**Unit:**

Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit.

**Utility allowance:**

A PHA’s estimate of the average monthly amount needed to pay for utilities by an energy-conscious household. If all utilities are included in the household’s rent, there is no utility allowance. A utility allowance varies by unit size and type of utilities.

**Utility reimbursement:**

The amount, if any, by which a family's allowance for utilities or other housing services exceeds its total tenant payment.

**Violet criminal activity:**

Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**Voucher:**

A document issued by a PHA to a family selected for admission to the Section 8 Housing Choice Voucher Program. The Voucher describes the program and the procedures for PHA approval of a unit selected by the family.

### **Sample HUD Program Forms**

- Sample Housing Choice Voucher
- Sample Request for Tenancy Approval
- Sample Housing Assistance Payments (HAP) Contract for Section 8 Tenant –Based Assistance Housing Choice Voucher Program.
- Sample Tenancy Addendum for Section 8 Tenant-Based Assistance Housing Choice Voucher Program.

### **Property Management Forms**

- Notice of Family Move-Out
- Fraud and Program Abuse Reporting Form