



Section 8

Housing Choice Voucher Program

Housing Authority of Lackawanna County

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Landlord Handbook



Equal Housing Opportunity

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Introduction

The Section 8 Housing Rental Assistance Program, enacted by the Housing and Community Development Act of 1974, is funded through, and monitored by, the United States Department of Housing and Urban Development (HUD).

The Housing Authority of Lackawanna County (HALC) provides rent subsidy to eligible extremely low- and very low-income families through the Housing Choice Voucher Program. Under the Housing Choice Voucher Program families initially pay no more than 40% of their monthly adjusted income toward rent and utilities. HALC makes a housing assistance payment (HAP) for the remaining portion of the agreed-upon rent directly to the landlord. Payments are sent out on the last working day of the month, and HALC does offer automatic deposit.

This handbook will provide an overview of the HALC's Housing Choice Voucher Program, the lease-up process, and obligations of the Owner, Tenant, and Housing Agency. Information provided in this document applies to HALC's jurisdiction only. (To view samples of forms used, see Forms List.)

Participant Eligibility Requirements

The following four requirements must be met in order for a family to be eligible to obtain admission to the Section 8 Program:

1. Household income is at, or below, the very low-income limits set by HUD.
2. At least one household member has legal status (may also be eligible non-citizen).
3. All household members 18 years of age or older must pass a criminal background check.
4. The household must qualify as a family. HUD defines a "family" as:
 - a. Any single adult.
 - b. Any two or more persons sharing residency whose incomes and resources are available to meet the family's needs and who are related by blood, marriage, or operation of law or who have evidence of a stable family relationship that has existed over a period of time. (The program does not allow for "roommate" situations.)

Income Limits

Income limits are adjusted annually by the federal government to reflect the income of the area. Only those families who qualify at, or below, Very Low-Income (50% of the area's median income) are eligible to participate in HALC's Section 8 Housing Choice Voucher Program.

Applications

Families who initially meet the Participant Eligibility Requirements will complete an application with HALC during the period the waiting list is open for applications. The application process verifies both the family's income and composition. Once this verification process is completed, the family is then notified if they meet the qualifications. If there is assistance available, the family is issued a Section 8 Housing Choice Voucher. If there is no assistance available, the family is placed on a waiting list. *Applications are only accepted when the waiting list is open.

Housing Choice Vouchers

The Housing Choice Voucher is documentation that the family: has met program requirements, is eligible to receive rental assistance, and agrees to the terms and conditions of the program. The family has 60 days in which to locate a unit that is decent, safe, and sanitary. The family must submit a Request for Inspection on or before the voucher's Expiration Date or else the voucher will expire and will then be given to another family from the waiting list.

Eligible Housing

These types of housing that ARE eligible for assistance:

- Single Family Home (detached units)
- Apartment (condo, walk-up)
- Townhouse (2-story or multi-level)
- Row House (duplex, tri-plex, etc.)
- Manufactured Home

These types of housing that ARE NOT eligible for assistance:

- Housing owned, or co-owned, by any member of the family to be assisted.
- Housing owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family; unless the HALC has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
- Housing owned by those who are prohibited from participation due to conflict of interest (such as Housing Agency employees).
- Nursing homes, units within the grounds of a penal, reformatory, medical, mental or similar public or private institution.
- Facilities providing continual psychiatric, medical or nursing services.
- Rooming or boarding house.
- Units in which families are being assisted under other subsidy programs.

Payment Standards

Payment Standards are used to calculate the maximum amount of housing subsidy HALC will pay on behalf of a family. The Payment Standard used in the calculation is based on the family's voucher size, or unit size chosen if the unit is a lower bedroom size than was issued on the voucher. Payment Standards are derived from the Fair Market Rents (FMRs) for the area and can be between 90% and 110% of the posted FMR. Anything outside that range must be pre-approved by HUD.

Fair Market Rents

Fair Market Rent (FMR) is a combination of rent and tenant-paid utilities used in the determination of Payment Standards for participants in the Section 8 Program. FMRs are adjusted annually by HUD to reflect the area's current market rents.

Selection Of Tenants

HALC does not screen for suitability of the tenant family, and can only certify the family's eligibility for the program. Owners are encouraged to screen families based on their own tenant suitability factors such as: payment of rent and utility bills, caring for a unit and premises, respecting rights of other tenants to peaceful enjoyment of their housing, drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others. HALC must, upon a landlord's request, provide the family's current address, and (if known) the name and address of the family's current and prior landlord. Other information about the family (as stated in the HALC Administrative Plan) may also be given to the landlord with a properly signed release by the tenant.

NOTE: In the selection or approval of a tenant, in the provision of services, or in any other manner, a landlord cannot discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, handicap, age or familial status.

Security Deposits

The landlord should collect a security deposit from an assisted tenant the same as the landlord would collect from an unassisted tenant. This security deposit is then credited toward any unpaid rent or damages when the tenant vacates. The landlord must follow Pennsylvania State Law regarding security deposits. Landlords will treat Section 8 tenants in the same manner that non-Section 8 tenants are treated when they vacate a unit owing unpaid rent, damages, or vacancy loss.

Housing Agency Disapproval of Owner

HALC must not approve a unit if HUD has notified the housing agency that the owner is disbarred, suspended, or subject to a limited denial of participation. When directed by HUD, HALC must not approve a unit if:

- The federal government has begun an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirement, and such action is pending.
- A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

HALC may also deny approval to lease a unit from an owner for any of the following reasons:

- The owner has violated obligations under a housing assistance payment contract under Section 8 of the 1937 Act.
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with federal housing program.

- The owner has a history or practice of non-compliance with the Housing Quality Standards for units leased under the tenant-based programs, or with applicable housing.

Request for Inspection Packet (Request for Tenancy Approval-RFTA)

The Request for Tenancy Approval Packet (RFTA) is to be completed by the landlord/property manager and returned to HALC for approval. All documents **MUST** be completed and signed to avoid inspection scheduling delays. Attached to the RFTA is the Request for Taxpayer Identification Number and Certification (W-9 Form). This form must be completed and signed before any payment can be sent to the owner. In addition, the owner must attach documentation verifying ownership of the property (i.e. deed of trust or closing papers from a sale of the property). The RFTA must be submitted only after the landlord has determined the tenant's suitability for a unit and the tenant is still interested in renting the unit.

When completing the RFTA, it is important to pay special attention to the following:

- PROPOSED RENT – Total Rent to Owner, must include all applicable taxes. Also included in this amount are any monthly HOA fees and other monthly fees and charges for which the family will be responsible, including monthly rates charged by the landlord for water usage in apartment complexes where the tenant is responsible for paying the water, but that utility is not metered separately.
- #11-UTILITIES & APPLIANCES –
 - Heating, Cooking, Water Heating, Other Electric, A/C, Evap – Under the “**Provided by**” column, circle the utility company (SW Gas, APS, SRP). Next to those fields, in the “**Paid by**” column, circle the person (Tenant, Owner) responsible for paying the utility bills for those items.
 - Water, Sewer, Trash – Under the “**Provided by**” column, circle the person (Owner, Tenant) responsible for providing access to the utility. (Note: In most cases the Owner is circled, even when the tenant is responsible for paying the utility.) Next to those fields, in the “**Paid by**” column, circle the person (Tenant, Owner) responsible for paying the utility bills for those items. (Note: For apartment complexes, or non-metered units, where the family is charged a monthly rate by the landlord, the monthly rate must be included in the Proposed Rent amount and marked here Owner paid.)
 - Refrigerator, Range – Under the “**Provided by**” column, circle the person (Owner, Tenant) who owns the appliance. Next to those fields, in the “**Paid by**” column, circle the person (Tenant, Owner) responsible for paying the utility bills for those items.
- W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION – This form must be completed and signed. HALC reports rental income over a certain amount to the Internal Revenue Service (IRS). The name, company name, mailing address and Social Security Number or Employer Identification Number provided on this form will be sent to the IRS with the amount of rental income paid to the landlord. (Note: Exceptions include those landlords under a certain limit of rental income paid by HALC and corporations.)
- DIRECT DEPOSIT – In order to elect the direct deposit of housing assistance payments, this form must be completed in its entirety and submitted to HALC.
- PROOF OF OWNERSHIP & MANAGEMENT AGREEMENT – Proof of Ownership must be attached to the RFTA, as well as a property management agreement where the owner has contracted with a company to manage the property. The document must specify whether or not the property management company may collect rent or sign documents.

- SMOKE DETECTOR PLACEMENT NOTICE – This notice is informing the Owners of the installation and placement of smoke detector throughout the unit. This information was obtained from the International Property Maintenance Code Manual.

The Request for Inspection process is as follows:

1. The family is issued a voucher with a rental limit amount to go find a unit. (The family cannot pay more than 40% of their adjusted income for rent and utilities.) The voucher size is based on HALC's occupancy standard (two persons per bedroom).
2. Once both parties (family and prospective landlord) agree upon a unit, the landlord will complete the RFTA and attach documentation proving ownership (and the property management agreement, if applicable). It is the family's responsibility to make sure the RFTA is submitted to HALC; however, some landlords prefer to submit the documents.
3. The HALC housing specialist assigned to the family will review the RFI for the following items:
 - a. Is the unit within HALC's jurisdiction?
 - b. Does the Proposed Rent meet the family's 40% limit? (If the unit is too expensive, HALC staff will negotiate with the landlord or inform the family to look for another unit.)
 - c. Is the Proposed Rent reasonable? HALC staff will do a Rent Reasonableness Test to compare the Proposed Rent of the unit with similar units in the same area. Things taken into consideration include unit age, amenities, location, utilities provided, etc.
 - d. Is the entire Request for Tenancy Approval documents complete?
4. The Inspection Desk will call the landlord and/or the landlord's representative to schedule an Initial Housing Quality Standards (HQS) Inspection Appointment. (Note: All appliances must be in the unit and in working condition. All utilities—electric, water, gas—must be turned on.) Inspections are generally scheduled within 7 to 14 days after the RFI is received by HALC, barring any unforeseen delays. Reasons for a delay may include: incomplete documentation, the unit is outside HALC's jurisdiction, the Proposed Rent exceeds the family limit, HALC is unable to determine the actual owner of the property, etc.
5. Once the unit passes inspection, the inspection report is given to the housing specialist, who will process the paperwork, generate the contract and letters, and submit the HAP for payment at the next check run. (Payment will be made within 60 days of the passed inspection or the date the family moves into the unit—whichever is later.)

Inspections

Inspections are conducted to insure that all subsidized units meet the minimum Housing Quality Standards (HQS) of decent, safe, and sanitary. These inspections are performed initially (before the family moves into the unit), annually, and whenever the family, landlord, or HALC determines a special inspection is warranted due to possible fraud or emergency repairs (i.e., lack of air conditioning in the summer). A random number of Quality Control Inspections are also performed during the year, per HUD's requirements. HALC does not perform move-out inspections. (Refer to HUD's booklet, *A Good Place to Live*, for additional HQS Inspection requirements.)

HQS standards have been amended to allow microwave ovens to be substituted for a tenant-supplied oven and stove/range. A microwave oven may be substituted for an owner-supplied oven and

stove/range if the tenant agrees and the microwave oven is furnished instead of an oven and stove/range to both subsidized and non-subsidized tenants in the same complex or premises.

If serious violations are found during an inspection, the unit will fail and must be reinspected after the violations are corrected. A UNIT MUST COMPLETELY PASS INITIAL INSPECTION BEFORE THE EFFECTIVE DATE OF THE LEASE AGREEMENT AND HAP CONTRACT. PAYMENTS WILL NOT BE MADE WITHOUT A PASSED INSPECTION. No more than two failed initial inspections will be allowed. If the unit fails initial inspection a second time, the family must locate another unit.

An annual, special, or quality control inspection may reveal the unit is in violation of HQS regulations. The inspector will determine, based on the requirements, the party responsible for making the repairs. The landlord is not held responsible for HQS failures caused by the tenant. HALC may terminate assistance to a family because of HQS breach by the family. For landlord-responsible items, no more than two failed inspections will be allowed before abatement of the payment. Abatement will last for a maximum of 30 days. If the unit does not pass inspection during the abatement period, the HAP Contract will automatically terminate. If the unit does pass inspection during the abatement period, the payments will resume. The landlord will not be eligible to receive the abated payments, nor can they be collected from the tenant.

Lease Agreement & Housing Assistance Payments (HAP) Contract

Once the unit passes inspection, the Lease Agreement and the Housing Assistance Payments (HAP) Contract will be executed. The term of the Lease Agreement and HAP Contract must be the same. The Lease Agreement and HAP Contract cannot exceed a 12-month period. (Examples: Family moves in 10/15/2009. The Effective Date of the Lease Agreement and HAP Contract will be 10/15/2009. The End Date will be 9/30/2010. Family moves in 10/1/2009. The Effective Date of the Lease Agreement and HAP Contract will be 10/1/2009. The End Date will be 9/30/2009.)

The Lease Agreement is between the landlord/owner and the family. HALC is not a party to the lease. HUD's Lease Addendum must be attached to the landlord's Lease Agreement. The language in the Lease Addendum will prevail in the event of a conflict with a provision in the landlord's Lease Agreement. The following items must be included in the landlord's Lease Agreement:

- Names of the authorized occupants in the unit
- Address of the unit
- Term of Lease (beginning and end dates)
- Total Monthly Rent Amount
- Security Deposit Amount paid to the landlord collected
- Utilities and Appliances paid or furnished by the landlord
- Responsibilities of the landlord
- Responsibilities of the tenant

The Housing Assistance Payments (HAP) Contract is between HALC and the landlord/owner. In the event of a conflict between the HAP Contract and the landlord's Lease Agreement, the HAP Contract will prevail. The Housing Assistance Payments Contract contains the following information:

- Name of Head of Household

- Names of authorized occupants of the unit
- Address of the approved unit
- Initial Rent to Owner
- Amount of the subsidy to be paid by HALC
- Utility and Appliance responsibility
- Landlord's right and responsibilities
- HALC's rights and responsibilities

Responsibilities

The Landlord is responsible for:

- Screening and selecting tenants
- Enforcing the Lease Agreement
- All repairs to the unit other than those caused by tenant's neglect
- Collecting the security deposits and rent
- Abiding by the terms of the Lease Agreement and HAP Contract
- Notifying HALC if tenant vacates unit

HALC is responsible for:

- Determining family eligibility
- Determining housing assistance payments and tenant portion of rent
- Inspecting the units
- Executing the HAP Contract and necessary forms

The tenant is responsible for:

- Supplying any information the HALC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status and any information for use in regularly scheduled reexamination or interim reexamination of family income and composition. All information supplied must be completed and true.
- Disclosing and verifying Social Security numbers and signing and submitting consent forms for obtaining information.
- Any HQS breach caused by the family or guests.

- Allowing the HALC to inspect the unit at reasonable times and after reasonable notice.
- Not committing any serious or repeated violations of the lease.
- Notifying HALC and the owner, in writing, before the family moves from the unit or terminates the lease.
- Giving HALC a copy of any owner eviction notice.
- Using the assisted unit as the only unit for residence by the family.
- Informing HALC of the birth, adoption or court-awarded custody of a child. The family must request approval of the Landlord and HALC to add any other family member as an occupant of the unit. The family must also notify the HALC if any family member leaves the unit. If the Landlord and HALC have given approval, a foster child or live-in aide may reside in the unit.
- Not subletting, letting, assigning or transferring the unit to another party.
- Not having any interest or ownership in the unit.
- Not committing fraud, bribery or any other corrupt or criminal act in connection with the program.
- Not engaging in drug-related criminal or violent criminal activity.
- Not receiving duplicate assistance for their unit.

Request for Rent Increases & Adjustments to Utility Responsibility

The Contract Rent (or Rent to Owner) may be adjusted on the Anniversary Date (or Annual Reexamination Date) of the HAP Contract. The rent must be reasonable and not exceed rents charged by the landlord for other comparable unassisted units. The landlord must be in compliance with the terms of the Lease Agreement and HAP Contract.

Approximately 90 days before the family's Anniversary Date HALC will mail the Request for Rent Increase to the landlord. In order to request a rent increase, landlords must return the Request for Rent Increase form no later than 60 prior to the Anniversary Date. Additionally, the landlord must provide the tenant with a 60 day notice of any rent increase and the request for a new Lease Agreement. If the family decides they cannot afford the unit, they will have time to give a written 30-day Notice to Vacate.

Because HALC adjusts the Payment Standards annually, the tenant must absorb any increase if the rent exceeds the Payment Standard. Changes in who will be responsibility for pay the utilities may be made at this time only.

Terminations

The *Lease Agreement* terminates if any of the following occur:

- The tenant violated the terms of the Lease Agreement.
- The owner and tenant mutually agree to terminate the Lease Agreement.

- HALC terminated the HAP Contract, resulting in the automatic termination of the Lease Agreement.
- HALC terminated assistance for the family, resulting in the automatic termination of the Lease Agreement.

The *Housing Assistance Payments Contract* terminates if:

- HALC terminated program assistance for the family.
- The family moved out of the unit.
- HALC does not have sufficient funds to support continued assistance for families on the program.
- The unit is too small for the family because of an increase in family size or a change in household composition.
- The owner violated the terms of the HAP Contract.
- The family has been paying full rent for 180 days. The HAP Contract automatically terminates 180 calendar days after the last housing assistance payment is made to the owner.

Transfer of the HAP Contract

The landlord may not transfer, in any form, the HAP Contract without the prior written consent of HALC. A change in ownership of the unit is not subject to this provision. HALC shall give its consent to a transfer of the contract if the transferee submits in writing an agreement to comply with all terms and conditions of the Housing Assistance Payments Contract. The transferee shall give HALC a copy of the executed agreement.

In situations where the owner sells the property, the new owner will assume the rights and responsibilities of the HAP Contract and Lease Agreement. New owners should contact HALC to obtain the specific documentation and requirements for the proper transfer of the Housing Assistance Payments to the new owner. If the new owner wishes to use the property as an owner-occupied unit, then at minimum a 60-day written notice must be given to the tenant by the new owner.

As soon as HALC is notified of an imminent foreclosure, the housing assistance payment is put on “hold” status until it can be determined who actually owns the property. A recorded release from the trustee showing the current owner of record is required in order to release the held funds and resume payments from HALC. HALC will issue a voucher to the tenant to move at the time the housing agency is notified the unit is in foreclosure. (See Security Deposits for the landlord’s responsibility to the tenant.)

The following areas of May 20, 2009 federal law regarding foreclosures will apply:

- If the tenant is under a Lease Agreement (not on a month-to-month lease), the Lease Agreement must be honored by the new owner, unless the new owner wishes to occupy the home, in which case a 90-day notice of termination is required.
- If the tenant is under a month-to-month Lease Agreement, the 90-day notice is still required to terminate the Lease Agreement.

Fraud and Abuse

Incidents of fraud, willful misrepresentation, or intents to deceive concerning the Section 8 Housing Choice Voucher Program are criminal acts (Section 1001 of Title 18 of the United States Code). If a landlord, tenant, or Housing Agency employee is suspected of committing any fraudulent actions, HALC is required to refer the matter to the proper authorities.

Examples of fraud involving *tenants* include:

- Failing to accurately report all household income.
- Allowing unauthorized persons to reside in the unit.
- Not using the home as a full-time residence.
- Making a side agreement with the landlord resulting in the tenant paying more in Tenant Rent than determined by HALC.

Examples of fraud involving *landlords* include:

- Making side agreements with the tenant resulting in the tenant paying more in Tenant Rent than determined by HALC.
- Allowing unauthorized persons to move into the subsidized unit.
- Collecting subsidy payments for unoccupied units

Examples of fraud involving *Housing Agency employees* include:

- Accepting payments from landlords to certify substandard units as standard.
- Certifying ineligible applicants or participants as eligible.
- Accepting kickbacks from landlords or tenants to allow rents in excess of the reasonable rent limitation.

How to Participate in the Program as a Landlord

Owners and landlords of units who are interested in participating in HALC's rental assistance program should contact www.GoSection8.com. For a housing agency questions, please call (570) 489-3972 ext. 329 for additional information.

Terminology

Actual Bedroom Size: The total number of actual bedrooms in the unit.

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based.

Executed: The date the HAP Contract or lease agreement has been made legal or valid by the signature of both parties. HAP Contracts are not valid if signed more than 60 days after the Effective Date of the contract.

Family Members: Includes all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

Family Share: The portion of rent and utilities paid by the family.

Guest: A person temporarily staying in the unit with the consent of a tenant or other member of the household. Guests can stay for up to 14 days. The requirements of part §982 apply to a guest.

Housing Voucher: A document issued by a PHA to a family selected for admission to the Voucher Program. This document describes the program and states the family's program obligations.

Initial Rent to Owner: The rent to owner at the beginning of the initial lease term.

Issued Voucher Bedroom Size: The bedroom size for which the family qualifies.

Jurisdiction: The area in which HALC has authority to administer the program.

Lease Agreement: A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and HALC.

Live-In Aide: A full-time caregiver who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities as a reasonable accommodation.

Low-income families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act]

Metered Utilities: Only the utility charges for a specific unit are billed to one name (either the landlord or tenant). **Utilities Not Metered:** Generally refers to the utility bill in the landlord's name. The landlord may elect to have the tenant pay a portion of the utility bill based on usage, a flat fee, or the number of persons residing in the unit.

Occupancy Standards: The standards that HALC establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Other person under the tenant's control - The person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

Owner: Any person or entity, including a cooperative, having the legal right to lease existing housing.

Participant (participant family): A family that has been admitted to HALC's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by HALC for the family (first day of initial lease).

Remaining (residual) member of a tenant family: A member of the family listed on the lease who continues to live in an assisted household after other family members have left.

Rent to Owner: The monthly rent payable to the owner under the lease, to include payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

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

Utilities Included: The owner pays utilities, and the cost is included in the Contract Rent. The utility responsibility shall not change during the term of the lease agreement. May refer to all or specific utilities (water, sewer, trash) paid by landlord.

Utilities Not Included: The tenant is responsible for paying utilities.

Utility Allowance: An estimate derived from surveys to determine an approximate amount of utility expenses the family might incur in situations where the family is responsible for any, or all, utilities. Taken into consideration is the type of unit (apartment, single family home), the number of bedrooms in the unit, the utility company, and which utilities the tenant is responsible for paying.