

Fairfield Housing Authority
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Housing Choice Voucher Program
Questions and Answers
For New and Prospective Landlords



Housing Choice Voucher Program

Common Questions and Answers

What exactly is the Housing Authority's role under the lease agreement with my prospective tenant?

One common misconception about the role of the Housing Authority (HA) is responsibility for the family's actions under the lease. The HA determines the family's eligibility for the program, conducts annual property inspections, and other administrative functions of the program.

Although we make every effort to counsel families on their behavior and take action to terminate a family's program participation for repeated lease violations, we have no authority or ability to enforce the lease provisions when a family does not comply with the terms of the lease. The Housing Authority is not a party to the lease and has no property management enforcement abilities. **It is up to you or your designated representative to enforce the terms of your lease.**

We strongly recommend that you screen your prospective tenants carefully to ensure that your property investment has been placed in the possession of a tenant who will take proper care of your unit.

We also request that you communicate to us when you have lease violation issues with a family and provide a copy of any lease violation notices to us that you give to your Housing Choice Voucher families. By providing the Housing Authority this information, action can be taken to terminate a program participant who repeatedly fails to follow the program rules.

Should the landlord screen the family?

It is the landlord's responsibility to screen the family. The Housing Authority does not screen a family other than to determine if the family's income allows them to participate in the Housing Choice Voucher program. Landlords should use the same criteria to screen families participating in the Housing Choice Voucher program as they would any other prospective tenant. The same rejection criteria should also be applied.

In addition to the screening criteria, you use for all other potential tenants, the Housing Authority can also verify with you the following information about program participants:

1. A participant's current address as shown in the Housing Authority's record.
2. The name of the landlord at the participant's current and prior address.

If, after screening the family, the landlord is interested in renting to the Housing Choice Voucher participant, the family and the landlord will complete and sign a "Request for Tenancy Approval" form indicating the date the unit is available for inspection, the rent

desired, and who pays for what utilities. That form is then brought to the Housing Authority to arrange for income eligibility and rent reasonableness approval by the Housing Inspector. Once this has been completed the inspector will call you to negotiate the rent, if needed, and schedule an inspection. **Utilities must be on at the time of the inspection. It is the landlord's responsibility to have the utilities on until the unit passes inspection, and the family takes possession of the unit.**

Are there any restrictions on who I can lease my rental to?

Yes. In 1998 HUD revised the regulations, which limits circumstances under which a property owner can rent his unit to a relative under the Housing Choice Voucher program. The Housing Authority can permit such leasing only if it is determined that the leasing of a relative's unit would accommodate a person with disabilities.

For instance, if a property owner had a rental unit close to his/her property, which was handicapped accessible in order to provide attendant assistance to a disabled family member, The Housing Authority could allow leasing to a relative. The relationship, which HUD defines as a relative, is the parent (including stepparents), child, grandparent, grandchild, sister, or brother or the Housing Choice Voucher holder or any of his/her family members.

What is necessary for the Housing Authority to approve a rental unit?

Upon receipt of the Request for Tenancy Approval, the Housing Authority will review the rent and family's income to ensure the family's rent portion is within the 40% family rent portion limitation required by HUD regulations. If the family does not qualify for the requested rent or it is determined that the rent is not reasonable for the area the Housing Inspector will contact the owner to discuss the rent. Once the rent amount is agreed upon an appointment will be made with the landlord to inspect the unit.

Housing Authority staff will process the request as quickly as possible. If the family has not provided the required documentation, please be advised this may cause a delay and under certain circumstances the process could take up to four weeks. Also, if the family is under lease at another property, we cannot start a new lease and contract at your property until the existing 30-day notice has expired even if your unit passes inspection prior to this date.

When the inspector calls to schedule an appointment for the inspection the unit must be ready for occupancy. This would mean the utilities are on, carpets have been installed or cleaned, any landlord supplied appliances are in the unit, and all maintenance work has been completed. If you or your maintenance staff are working on the unit at scheduled time of the inspection it will be rescheduled once the unit is completed and ready. If the utilities are not on the inspection will have to be rescheduled.

The Housing Authority inspector is required to verify that the unit meets Housing Quality Standards (HQS). These are HUD established standards designed to insure that units on which rent subsidies are paid are decent, safe and sanitary. In addition to inspecting for HQS compliance, the inspector may also note items needing repair that are not required but recommended for preventative maintenance.

To assist you in preparing your unit for inspection, a checklist is attached to the Request for Tenancy Approval Form. This checklist shows the items that most commonly fail the HQS inspection. You are encouraged to use this checklist in reviewing your property before the Housing Authority inspector inspects your property.

If there is an HQS violation, the Housing Authority is prohibited from executing a Housing Assistance Payments Contract until the required repair is completed and the unit has been re-inspected. No payment can be made for any days preceding the confirmation of repair completion.

The Housing Authority inspector will verify the utilities as listed on the Request for Tenancy Approval, e.g. gas, electricity, water, garbage etc. The family will receive a credit, also known as a Utility Allowance, towards their portion of rent based upon the utilities for which they are responsible. These allowances are developed by the Housing Authority and estimate what a typical family's utility costs will be. The Housing Authority inspector will also confirm with the landlord what utilities they will pay for and this will be reflected in the lease and contract.

Utilities that are not separately metered for Pacific Gas and Electric or water and sewer, such as a duplex unit, the owner must pay those utilities.

How much rent can be charged under the Housing choice Voucher Program?

NOTE: If you are unsure how much you should request for rent, we recommend that you contact local property management companies and see guidance on current market rents for a specific area.

Fairfield Housing Authority will not accept Requests for Tenancy Approval for over the amount of the current payment standard. For example, if a family has a two-bedroom voucher and wishes to rent a three bedroom unit, the rent may not exceed to the two bedroom payment standard which currently is \$1779.00. This does not mean that the rent will be \$1779.00 this is the maximum rent the owner may request. We will calculate the utility allowance based on the actual size of the unit.

The Housing Authority inspector will review the rent the owner is requesting to determine if it appears to be a fair rent based on rents for comparable units. The Housing Authority is required by program regulation to certify that the rent being paid is not greater than rent being charged for comparable non-Section 8 assisted units. This is to insure that tax dollars are not being used to inflate rents in the private rental market.

Rent comparability is determined by comparing the Housing Choice Voucher unit to other similar units. The comparability process is somewhat like an appraisal. The inspector will consider the subject unit's size, location, quality and age of amenities (e.g. carpet, dishwasher, appliances, etc.). Also considered are the unit's interior condition and the exterior amenities and appearance of the property. They are then compared with other units and the rents are evaluated.

Under the Housing Choice Voucher Program guidelines, there are two tests, which must be made. The first test is conducted when the Request for Tenancy Approval is submitted. The calculation of whether the tenant's rent portion is less than 40% of their monthly income is completed. If it is determined that the tenant's rent will be less than 40% of their income, then the rent reasonableness test is conducted prior to approval of the Request for Tenancy Approval and the inspection.

How much of a security deposit can a landlord collect under the Housing Choice Voucher Program?

HUD no longer caps the security deposit. Owners may collect a security deposit from tenants provided the following two criteria are met:

1. The security deposit may not be in excess of amounts charged by the owner to unassisted tenants.
2. The security deposit required does not violate state or local law. (No more than two times the contract rent.)

Subject to state and local law, and in accordance with the lease, the owner may use the security deposit, including any interest on the deposit, as reimbursement for any moneys owned by the family.

The Housing Authority recommends to the family not to pay the security deposit or move-in to the unit until it passes inspection. **The Fairfield Housing Authority does not assist with rental deposits.**

How is the family's rent share calculated under the new Housing Choice Voucher Program?

There are five factors, which affect a tenant's rent under the Housing Choice Voucher Program. What must be known prior to determining the tenant's rent is the following:

1. 30% of the family's monthly adjusted income
2. 40% of the family's monthly adjusted income (under the program guidelines, the family's rent portion cannot exceed this amount)
3. The Housing Authority's "Payment Standard" for the bedroom size the family qualifies for
4. The rent the owner is asking.

5. The Utility Allowance figure (A Utility Allowance is a HUD required allowance which must be deducted the family's rent portion for family-paid utilities.)

Under the Housing choice Voucher Program, the rent that can be approved is based upon two factors. The first factor is whether the rent requested is comparable to other units renting on the open market in that neighborhood.

The second factor is the tenant rent portion limitation. Under the Housing Choice Voucher Program, the family is allowed to pay up to 40% of their monthly-adjusted income towards the "gross rent". The Gross Rent is the rent the owner is asking plus the Utility Allowance adjustment. The amount of the Utility Allowance is dependent upon what utilities the family pays. The family pays the difference between the Housing Authority's maximum subsidy and the rent to the owner.

Our occupancy standards are one room for every two persons. For example, a family of three (parent and two children) is issued a two-bedroom voucher, a family of four (head of household, spouse, 2 children) is issued a two bedroom voucher and a family of five (parent and 4 children) would be issued a three bedroom voucher.

Please note that occupancy standards are subject to change based on available funding.

When does the Housing Authority begin to make rental payments?

After the rent has been agreed upon and approved, and the unit has been inspected, passed, and the family is no longer under contract at their previous unit, a Housing Assistance Payments Contract (HAP Contract) will be executed. This is the document between the Housing Authority and the landlord that explains the responsibilities of each under the program rules. **The Contract will also indicate how much rent the family will pay (the Tenant Rent to Owner or TRO) and how much will be paid by the Housing Authority (the Housing Assistance Payment or HAP). These two amounts combined are the total Contract Rent the landlord will receive for the unit. The family cannot pay more than the Housing Authority allows.**

If you are present at the inspection, you will be presented with the HAP Contract for a signature. If you have not already completed an IRS 1099 form one will be given to you at the inspection.

If you are not present, these forms will be mailed to you for signatures. You must sign and return these forms immediately. You must also provide our office with a signed copy of the lease between you and the family. A standard lease which you use for open-market rentals should be used listing any additional terms and conditions agreed upon between yourself and the tenant. Delays in returning signed forms to the Housing Authority may delay the payment process. The Lease effective date should coincide with the date of the HAP Contract. Before any rent payment can be made, the Housing Authority must have all the signed paperwork, HAP Contract and lease returned to our

office. Once the paperwork is received, the Housing Authority will process the file to the Finance Department for payment and send the landlord a copy of the signed HAP Contract. Payments will be made on the first of the month. Due to processing timelines your first payment may be delayed and the HAP due you will be paid the following month.

Please note that the tenant is not responsible for the HAP. The owner cannot terminate tenancy because the HAP has not been paid by the Housing Authority. We no longer issue checks. **All Housing Assistance Payments will be made direct deposit.**

Is it O.K. to allow the prospective tenant to move in before inspections and paperwork are completed?

The Fairfield Housing Authority does not recommend families moving into a unit prior to approval. The process to execute a contract can take some time and there may be issues, which will arise, e.g., required repairs, rent negotiations, and paperwork required from the family which will result in a HAP Contract not being executed. This could mean the landlord would have a tenant in possession who will not be receiving housing assistance.

To avoid such a situation, it is advisable to postpone the tenant's move-in date until the unit has passed inspection and the rent has been agreed upon. If the landlord wants to allow the tenant to move in, the landlord should collect at least a minimum-security deposit and enter into a conventional rental agreement which can remain in place until the HAP Contract is executed. This way the landlord and the tenant will have a legally enforceable agreement in the event a HAP contract is not entered into on the unit.

Why does the Housing Authority require a tax identification or social security number in order to issue HAP payments?

This is an Internal Revenue Service (IRS) requirement for any person or entity that received rent payments in excess of \$600.00 per year. It is critical that the tax identification number that is provided match the name of the owner of the property. The IRS has advised us that if the name and tax identification number do not match, the Housing Authority may be required to withhold 30% of the check amount to insure proper payment of taxes.

Are there any prohibited lease terms I should be aware of?

The lease you sign with a Housing Choice Voucher participant should be a standard lease you use for any other rental units you own or manage on the open market. The terms of the lease must be in accordance with state and local law and any additional terms or conditional changes need to be provided to the Housing Authority as they

occur. All household members must be listed on the lease and both the Housing Authority, and the Owner must approve any changes.

What happens after the first year?

The lease will automatically convert to a month-to-month lease unless you offer the family a new lease. If a new lease is entered into, you must provide our office with a signed copy of the lease.

When can I expect the annual inspection?

Annual inspections are scheduled based on the last inspection date or the availability on the inspector's calendar. Due to office closures every Friday we have tried to group inspections by area as much as possible which means an annual inspection may be done at a different time. All correspondence will be provided by the Housing Authority.

According to HUD, we must inspect the unit a minimum of 364 days prior to the last inspection date. Due to this requirement, we may be unable to reschedule the inspection beyond the scheduled date. If there is a need to reschedule prior to the date, every effort will be made by our staff to accommodate you and the family.

Upon completion of an annual inspection, the landlord and the tenant will be notified in writing of the results. If the unit fails inspection, the landlord and/or the family will be required to complete the repairs by a specified date. This letter will also provide a reinspection date and time in which the repairs must be completed and will state who is responsible for which repairs. Depending on the extent of the repairs you will be given no more than 30 days to complete the repairs. If the repairs are minor, you may be given one to two weeks to complete the repairs. We have implemented a self-certification process. The inspector will determine if a visual re-inspection is required and if not, you will be sent a Completed Repair Certification notice. The required repairs are listed, and you will be provided with a due date. **If the repairs are not completed or the form is not returned by the due date a 30-day notice to stop the Housing Assistance Payments will be issued.**

What happens if I need more time to complete the required repairs, or I fail to complete repairs by the time frame given?

If you find that you need additional time to complete the repairs, please contact the inspector **prior** to the scheduled reinspection date to request for an extension. You may be given one extension for no longer than 30-days at the discretion of the inspector based on the type and number of repairs. If at this time the repairs have not been completed, a 30-day notice to terminate the HAP contract for HQS violations will be issued. **Please note there are no extensions on a 30-day notice and the HAP may be abated.**

What can I expect at the anniversary date?

If both you and the family plan to continue the tenancy, the family will be required to comply with the Housing Authority's recertification process. At this time the family's income and family composition will be reevaluated to determine if there will be any changes in the family's rent portion and or if they are housed in an appropriately sized unit. If there is a change, you will be notified in writing of the change. If the family no longer meets the eligibility criteria of the program, you will be given 30-days notice of our intent to discontinue HAP payments.

The family is responsible for the damages to the unit and subsequently the unit did not pass the annual HQS inspection. Is the landlord responsible for these repairs?

Regulatory changes which went into effect 10/2/05 stating that owners are no longer responsible for HQS violations **caused by tenants**. Tenants who fail to pay for utilities for which they are responsible, who fail to supply and maintain appliances for which the owner is not required to supply under the lease, or who (or whose guests) cause damage to the unit beyond normal wear and tear will now be considered to have breached family obligations under the Housing Choice Voucher program and may face termination by the Housing Authority.

If the repairs are not completed, the Housing Authority would not abate rent under these circumstances but would be required to terminate the contract if the unit was not brought up to HQS standards. The lease automatically terminates when the HAP contract is ended.

What if the family wants to move?

The family must give the landlord a 30-day written notice to vacate and supply the Housing Authority a copy of the notice. A written notice to vacate may be given at any time after the initial term of the lease (i.e., month to month, year to year) in accordance with the lease. If the family is under lease the landlord and family may mutually agree to terminate the lease.

The lease may not require the tenant to give more than 30 calendar days notice. The family and landlord must comply with the terms of the lease.

If a family does not give the owner and the Housing Authority proper notice, then the family may be considered to be in violation of the Housing Choice Voucher program family obligations and may face possible termination from the program.

What should a landlord do if he/she wants to terminate the tenancy?

The landlord can issue a proper notice to vacate at the end of the initial term of the lease or at the end of any successive term (i.e. month to month, year to year). The landlord can issue notice to terminate during the lease term of lease violations or other good cause.

Landlords are strongly encouraged to document tenant violations and to provide the tenant and the Housing Authority with written warnings or notices of the violations whenever possible. A copy of the notice of termination must be sent to the Housing Authority. If the tenant does not vacate within the time set forth in the termination notice, the eviction action, which follows, is just like any other eviction action.

If the family is evicted, the Housing Authority will pay through the end of the month in which the family was evicted.

What is considered “other good cause”?

The definition of other good cause includes:

Not accepting an offer of a new lease or revision; a family history of disturbance of neighbors, destruction of property, or living or housekeeping habits which result in damage to the unit or premises; the owner desires to use the unit for a purpose other than a residential rental unit; a business or economic reason such as sale of the property or renovation.

What should a landlord do if he/she receives a regular monthly payment, and the family subsequently vacates the unit in the middle of the same month?

The Housing Authority will send you a letter which will include the amount you must return to our office for the days the family did not occupy the unit.

What is the process for requesting a rent increase?

Rent increase notices must be provided to the Housing Authority and to the family at least 60 days in advance. All approved increases will have an effective date on the first of a month. All increases are subject to approval by the Housing Authority.

HOWEVER, if it is determined that the rent currently being paid exceeds market units, HUD requires Housing Authorities to lower the rent to reflect the actual rents in the market. For this reason, it is important that if you are requesting a rent adjustment you ensure that the request is based on an upward increase in the rental market.

I received a revised amendment, which indicates that the tenant’s rent portion has changed. What occurred?

It is possible that amendments may occur during the year because of changes in the family’s income or family composition. The family’s rent portion is generally based on

30% of the family's adjusted gross income. If they have increases or decreases in income or changes in family composition, this may result in a change of their rent portion. If that is the case, a contract amendment will be sent to the landlord.

If the change in family composition does not warrant a change in the unit size (number of bedrooms), but involves the addition of another family member, the tenant is required to contact the landlord and the Housing Authority in order to secure approval for adding the person to the household. A landlord can then add the person to the lease as another member of the household.

How do I request a change of address?

If you have moved or want to change the mailing address, you must notify the Housing Authority in writing of your request.

I have sold or purchased property in which a Housing Choice Voucher family lives. What do I need to do?

If you have sold property for which there is an active Housing Assistance Contract, you should notify the Housing Authority in writing and provide the purchaser's contact information as soon as possible. The Housing Authority will place a hold on the Housing Assistance Payment.

If you have purchased property for which there is an active Housing Assistance Payment contract, you should notify the Housing Authority as soon as possible in writing, along with a copy of the Grant Deed or Closing Statement to verify the ownership of the property. When these forms are returned to the Housing Authority any payments due to the new property owner will be released and the new property owner will begin receiving regular monthly Housing Assistance Payments.

**If you have any unanswered questions, please feel free to contact the Housing Authority at
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