

Welcome to the Central Virginia Housing Coalition (CVHC) Landlord Briefing. The information that follows is intended to help you as an owner decide if you want to become a participating landlord in the Housing Choice Voucher Program (HCVP) and to explain your responsibilities should you choose to do so. If you are not familiar with Virginia Landlord-Tenant Law, please take an opportunity to visit [www.rapplegal.com](http://www.rapplegal.com) to educate yourself. Becoming a landlord through the HCVP does not eliminate your responsibility to work within the legal system should the need arise.

## BACKGROUND

The Housing Choice Voucher Program is federally funded through the Department of Housing and Urban Development. CVHC subcontracts with the Virginia Housing Development Authority (VHDA) to administer the program. Landlords receive the Housing Assistance Payment (HAP) directly from VHDA. Checks are generally received on or about the first of each month. In some cases, you may receive your first check mid-month, but subsequent checks will be received on the first. Direct Deposit is available and encouraged.

The HCVP does not provide free housing. The amount of assistance a family receives is based on 30% of the adjusted household income. In addition, an allowance for utilities is factored into the rent calculation. Consider the following example:

Head of Household-3 children/income from wages \$16,040 annually  
\$1440 dependent deduction/\$2600 annual child care expense

\$16040 income	\$1250 monthly rent
<u>- 4040</u> deductions	<u>+ 150</u> utility allowance
\$12000/12=\$1000 x .30=\$300	\$1400 gross rent
\$1400 gross rent	\$1250
<u>- 300</u> family share	<u>-1100</u>
\$1100 VHDA Housing Assistance Payment	\$ 150 tenant rent

Use this information when you evaluate a family's rental application. VHDA may pay all of the rent, but in most cases the family is responsible for a portion of the rental payment.

A family's eligibility for assistance through the HCVP is not a guarantee that the family will be good tenants. Consider the following excerpt from the VHDA Operations Manual:

### *Policy 639 - HAP Payee Responsibility for Screening Families*

*HAP payees are permitted and encouraged to screen families on the basis of their tenancy histories. A HAP payee may consider a family's background with respect to such factors as:*

- Payment of rent and utility bills*
- Caring for a unit and premises*
- Respecting the rights of others to the 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*
- Compliance with other essential conditions of tenancy*

Owners are encouraged to screen applicants carefully. Use an application form and request rental references. The amount and source of income should be included to help you determine the approximate portion of rent the family will owe. Ask yourself if the family will have sufficient income to care for the property even if VHDA is paying all of the rent. Is the income from a steady source? Keep in mind, if a family's income changes, so will their portion of rent.

What follows outlines the information that can be provided by the housing office if an owner requests it.

***Policy 550 - Providing Information to the HAP Payee on the Family***

*The selection of a family for program participation is not a representation by the agent about the family's behavior or suitability for tenancy. Determining tenant suitability is the payee's responsibility (see Policy 639).*

***Information that Can Be Provided***

*To assist the HAP payee in obtaining information on a prospective tenant, the local housing agency must give the owner:*

- The family's current address as shown in the local housing agency records*
- The name and address, if known, of the family's current and previous landlords*

***Information that Cannot Be Provided***

*The local housing agency must not offer the HAP payee other information in their possession about the family including information about tenancy history of family members or the criminal history of family members.*

***A Word of Caution***

*The local housing agency should be mindful of the privacy rights of applicants and participants of the HCV Program.*

*In certain types of instances, such as those involving victims of domestic violence or participation in the victim witness protection program, the agent must exercise extreme caution and discretion in the release of any information concerning the family.*

You do not have to accept a family who receives assistance through the HCVP but make sure to screen all applications using the same criteria. The following information briefly discusses HUD Fair Housing Policy.

***Equal Opportunity and Fair Housing Requirements***

*The local housing agency may not discriminate against families on the basis of race, color, religion, sex, national origin, age, familial status or disability. The local housing agency will comply fully with all federal, state and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:*

- Title VI of the Civil Rights Act of 1964*
- The Fair Housing Act*
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)*
- Executive Order 11063*
- Section 504 of the Rehabilitation Act of 1973*

- The Age Discrimination Act of 1975*
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)*
- Violence Against Women Reauthorization Act of 2005*

## **PROCESS**

A prospective tenant who contacts you regarding the HCVP will have an actual voucher which indicates he/she is eligible to move with assistance. You should ask to see it and review the information to make sure it has valid issue and expiration dates. It will also indicate a unit size which designates the number of bedrooms the family qualifies for and is based on the number of people in the household. In some cases, the family may exceed their unit size, but it's a good idea to check with the housing office to be sure.

The family will have a four page form called a Request for Tenancy Approval (RTA). The RTA must be completed by the owner and submitted to the housing office. A sample RTA follows.

[See sample RTA available on our website](#)

It must be filled out completely. If you have questions about how to fill in some of the information, please contact the housing office. The approval process for the family in your unit will begin after the RTA is received. Please submit a blank copy of the lease you intend to use with the RTA so it can be reviewed by the housing agent.

## **APPROVAL**

First, the proposed rent will be evaluated against the Voucher Payment Standard (VPS). Go to the website provided below to access VHDA's website for VPS amounts.

[VHDA Link Available on our Website](#)

Please note, the VPS represents the contract rent plus the utility allowance as demonstrated in the earlier example and is the maximum allowable payment VHDA will make on behalf of a family. If a family exceeds the unit size, it will be approved as long as the gross rent doesn't exceed the VPS for the family. In other words, if your unit has three bedrooms but the family has a two-bedroom voucher, it can be approved as long as the rent plus the utility allowance doesn't exceed the two-bedroom VPS. The utility allowance can be anywhere between about \$60 and \$225 depending on the utilities which must be paid for by the family. Take this into consideration when proposing a rent amount for your unit.

Second, the rent for the unit must be reasonable when compared to rents for other comparable units. The comps must be from the same area, and must be of equal or greater age and square footage. Please review the following VHDA policy on rent reasonableness.

### ***Policy 633 -Determining Rent Reasonableness***

*The local housing agent must certify that the contract rent for a unit leased under the HCV Program is reasonable at initial lease-up and each time the owner requests a rent increase.*

*HUD regulations define reasonable rent as one that does not exceed the rent charged*

for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises.

**The following factors are considered when determining rent comparability:**

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, or high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services and utilities included in the rent

**Units that Must Not Be Used as Comparables**

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state or local assistance that imposes rent restrictions cannot be considered comparable units.

**These include units assisted by HUD through any of the following programs:**

- Section 9 project-based assistance
- Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects
- HOME or Community Development Block Grant (CDBG) program assisted units in which the rents are subsidized
- Units subsidized through federal, state or local tax credits
- Units subsidized by the Department of Agriculture rural housing programs
- Units that are rent controlled by local ordinance

Note: Notice PIH 2010-18 provides additional guidance on the issue of what constitutes an assisted unit.

**How Reasonable Rents Are Determined**

Three comparable units must be compared to the unit selected by the family. The units must be as similar as possible. For units in apartment complexes, the comparison should be based on the rents charged on unassisted units on the same premises. They must be the same bedroom size as the unit selected unless no other units are in the market.

The local housing agent will complete for each unit it approves, the Certification of Rent Reasonableness form and maintain a copy in the family's file. Instructions for completion of the form are contained within the contents of the form.

Under no circumstances will a unit be approved for subsidy if the local housing agent determines that the contract rent is unreasonable. As a general rule, cases should not reflect more than a \$25 to \$50 difference in the rent listed for the comparable units unless justified. If more than a \$25 to \$50 difference, the case should be questioned concerning whether it is reasonable.

The contract rent may be increased after the initial lease term; however, the increased rent amount may cause the unit to fail the test for rent reasonableness.

Third, the unit must be inspected to ensure that it meets Housing Quality Standards (HQS) as determined by HUD. The family must not move into a unit prior to the HQS inspection. The following provides an overview of HQS inspection policy.

## HOUSING QUALITY STANDARDS

**All units under the Housing Choice Voucher Program must meet HQS at all times.**

Prior to approving a unit for lease-up, an initial inspection must be conducted. The initial inspection is scheduled after the Request for Tenancy Approval (RTA) form has been received, and is usually scheduled within 15 days of receipt of the RTA.

The following factors are evaluated during the initial inspection:

Sanitary facilities	Food preparation and refuse disposal
Space and security	Thermal environment
Illumination and electricity	Structure and materials
Interior air quality	Water supply
Lead-based paint	Access
Site and neighborhood	Sanitary conditions

**\*\*Smoke detectors must be installed on each floor and be operational.**

Please ensure that the unit is ready for inspection when it is scheduled. All maintenance and cleaning must be completed, and the unit must be ready for occupancy. If the unit does not pass, the family will be advised to continue searching for an appropriate unit. Follow-up inspections are not guaranteed.

A special inspection may be requested at any time by either the landlord or the tenant. Special inspections may occur if damage to the unit is suspected and/or if repairs are necessary to avoid a breach in HQS. The landlord and tenant will be notified of the results of the inspection in writing.

An annual inspection of the unit must be conducted within 12 months of the initial inspection, and on a yearly basis thereafter to ensure that the unit continues to meet HQS requirements. The inspector will identify any deficiencies, notify the landlord and the tenant of the results of the inspection in writing, and provide a timeframe in which the defects must be corrected. If it is clear that the defects were tenant caused, the family must make the repairs or arrange for the landlord to do so. The landlord may charge the family for any repairs beyond normal wear and tear.

The deficiencies must be repaired within the timeframe given, or payments will be abated (stopped), and the HAP contract may be terminated. If payment is abated, the family is only responsible for the tenant portion of rent during the abatement. Abated payments may not be recouped. It is the responsibility of the **landlord** to arrange for re-inspection of the unit.

**See sample Inspection form on our website**

Please do not complete the form on-line. The inspection must be completed by qualified personnel from the housing office.

**WARNING: Section 1001 of Title 18 of the United States Code makes it a criminal offense to make a willfully false statement or misrepresentation to any Department or Agency of the United States as to any matter within its jurisdiction.**

If, at the end of the initial lease term, the lease for the family occupying your unit will not continue you may request a move-out inspection. The inspection is not to replace the walk through with the tenant to determine if the family's security deposit will be refunded. The move-out inspection is conducted so that the housing agent can document damage to the unit beyond normal wear and tear. Please review the following VHDA policy.

***Policy 786- Conducting Move-out Inspections for the HCV Program***

*Local housing agents should only conduct move-out inspections when requested by a HAP payee if requested within a specific number of days after the family vacated (i.e., 10 calendar days) to document how the family left the unit. If possible, the agent should take photos during the move-out inspection.*

*This information could be used to provide to another prospective landlord (if the family's voucher has been reissued) as a part of their tenant screening process to help determine the family's suitability as a tenant.*

*If the local housing agent determines the family has damaged the unit beyond normal wear and tear that also caused the unit to fail the housing quality standards, the agent may take action to terminate the family's assistance. This would be considered as a violation of a family obligation concerning a breach of the HQS.*

**TERMINATION OF TENANCY**

The initial lease term for the family must be twelve months. At the end of the initial lease term, the tenancy continues on a month-to-month basis until proper notice is given by either party or unless a new lease is signed. If, during the initial lease term you feel that the lease should be terminated, VHDA provides guidance on grounds for termination of tenancy.

***HAP Payee Notice of Termination of Tenancy***

*The HAP payee must give the tenant a written notice that specifies the grounds for termination of tenancy. The notice of grounds must be given at or before commencement of the eviction action.*

*The notice of grounds may be included in, or may be combined with, any HAP payee eviction notice to the tenant.*

***Eviction Notice***

*HAP payee eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action.*

*The HAP payee must give the local housing agent a copy of any eviction notice provided to the tenant.*

***Eviction by Court Action***

*The HAP payee may only evict the tenant from the unit by instituting a court action. The local housing agent does not process the HAP termination in Elite until the court awards possession of the unit to the HAP payee.*

*The local housing agent must provide the HAP payee with a copy of the notice HAP Payee Termination of Tenancy Requirements.*

Remember, as a landlord, you will be required to follow legal procedures to terminate a family's tenancy. CVHC nor VHDA will take responsibility for the removal of a tenant from the property.

## **HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT**

The HAP contract is the legally binding agreement between the owner and VHDA which controls payments made to an owner on behalf of a family. The HAP contract will be signed by the owner and the Housing Agent who is acting on behalf of VHDA. The contract will be signed in the housing office and signifies final approval for a selected family to occupy the unit. Please review the sample HAP contract on our website.

[See sample HAP contract on our website](#)

Please do not complete the form on-line. The HAP contract must be completed by qualified personnel from the housing office.

**WARNING: Section 1001 of Title 18 of the United States Code makes it a criminal offense to make a willfully false statement or misrepresentation to any Department or Agency of the United States as to any matter within its jurisdiction.**

Review the HAP contract information carefully before you sign it to be sure all the information is correct and reflects the agreements made regarding the occupancy of the unit, the lease term, the contract rent and the HAP.

### **RECOMMENDATIONS FROM THE HOUSING STAFF**

Research the year built and square footage of the proposed unit. The RTA cannot be approved without that information.

Be sure to discuss an appropriate security deposit during the approval process. In some areas, the housing office provides funds for security deposit. VHDA does not. Collect the money prior to allowing the family to occupy the unit. Experience shows that it will be extremely difficult to collect the funds after the family moves into the unit.

Examine comparable rent amounts for your unit prior to submitting the RTA. If you have information on comps, submit them with the RTA. A lower rent amount may be negotiated or the unit may be denied if there is no reasonable rent comparable found to substantiate the requested rent.

Do not make arrangements with the family to pay any amount in addition to the agreed upon contract rent. Side payments are illegal and if discovered, you may be forced to refund the entire HAP amount to VHDA and reimburse the family. The HAP contract will be terminated immediately.

When reviewing documents provided by the family, look for CVHC or VHDA to be printed on the form. The HCVP is a federal program and families may move with their voucher to any area that administers the program; however, only the local housing office can approve the final move. If a family has a voucher issued by another housing office, make sure the family has been in contact with CVHC.

Do not allow a family to move into your unit without final approval from the housing office. Your signature on the HAP contract signifies final approval. If a family is already in the unit and for some reason assistance is denied, you will have to take legal

steps to remove the family from the unit. Neither CVHC nor VHDA can be held liable for payment if final approval has not been given.

You will be notified by Lease Addendum any time there is a change in the HAP or the tenant payment. Contact the housing office any time you receive a payment that is not for the expected amount. Except in the case of administrator error, VHDA will not provide a back payment if a significant amount of time has passed.

Notify the housing office immediately if the family fails to pay their portion of rent.

Notify the housing office immediately if you discover damage to your unit which was caused by the tenant.

Thank you for completing the CVHC Landlord Briefing. I hope you found the information useful and look forward to working with you as a participating landlord.

**Click on the link on our website to Margie Himes' email to provide your contact information which will be added to the CVHC Landlord list.**

You may now provide a property listing to be added to the housing book where it will be viewed by prospective tenants. You will be contacted by tenants directly, not by the housing office. The following information may be used to contact a Housing Agent directly by selecting the first letter of the prospective tenant's last name.

Administrative Agent

CVHC  
208 Hudgins Road  
Fredericksburg, VA 22408  
540-604-9943  
540-604-9949(fax)

<u>Housing Agent List</u>	<u>Extension</u>	<u>Caseload</u>
Betsey Andrews	224	E,P,O,W, RACSB and Ports
Brian Phelps	216	D,K,L,Y and Fauquier County
Betty Merritt	219	B,F,H,J
Shauna Shay	223	A,Q,R,S,T,V
Ben Phelps	225	C,G,M,N,U

HCVP Director

Margie Himes 221