

SOMERSWORTH HOUSING AUTHORITY



Housing Choice Voucher
Handbook for Property
Owners



Somersworth Housing Authority

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Dear Property Owner:

The Somersworth Housing Authority (SHA) is pleased to make this handbook available to you as a summary explanation of the HUD requirements and SHA policies and procedures for the Section 8 Housing Choice Voucher Program.

You are key to our ability to administer a quality program. We trust this handbook will be of help to you. Do not hesitate to call our office with any concerns, questions, or suggestions at 603-692-2864 ext 314.

Sincerely,
Keri McIlvaine
Program Manager

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I. Introduction to the Housing Choice Voucher Program

The U.S. Department of Housing and Urban Development (HUD) provides rent subsidy to eligible low-income individuals and families in the form of Housing Choice Vouchers (formerly referred to as Section 8).

HUD allocates the subsidies to the Somersworth Housing Authority (SHA) who administers the program on behalf of HUD.

There is one type of federally funded tenant-based subsidy offered by the SHA which is a Housing Choice Voucher.

In the Housing Choice Voucher Program, the rental subsidy is generally based on the actual rent of the unit leased by the assisted family. For most families, the subsidy is the difference between the unit rent and 30% of the family monthly adjusted income.

II. Roles in the Housing Choice Voucher Program

A. The Role of Somersworth Housing:

The SHA has three areas of responsibility:

1. To determine family eligibility for the Housing Choice Voucher Program.
2. To inspect units to ensure compliance with HUD Housing Quality Standards (HQS) requirements. (Inspections are done prior to Move-In and then Annually).
3. To execute contracts with and making housing assistance payments to property owners.

NOTE: SHA does not act as the Property Owner or Manager. It is the responsibility of the property owners to screen and select the tenant and to enforce the terms of the lease.

B. The Role of the Family/Participant:

To maintain their participation in the HCV Program, the family must meet all program obligations as outlined in the Statement of Family Responsibility.

Examples of family obligation included, but are not limited to, providing SHA with information on income and family composition as needed to verify program eligibility and to calculate rent shares; allowing SHA to conduct annual inspections of the unit; and not engaging in drug-related or violent criminal activity.

Failure to comply with these program responsibilities may result in a family's termination from the subsidy program.

Tenants also have obligations to the property owner, which are outlined in the lease. Examples of lease obligations included, but are not limited to, paying their full share of the rent on a timely basis each month, and maintaining the unit in good condition.

Failure to comply with the lease obligations may result in termination of the lease and eviction of the tenant from the unit through court action. However, only the property owner, not the SHA, has the authority to terminate a lease or institute eviction proceedings. SHA does have the right, however, to terminate housing assistance made to the owner on behalf of the family if the family violates their obligations.

C. Role of the Property Owner/Manager:

As a participant in the HCV Program, the property owner has the responsibility to **screen, select and enter into a lease agreement with the tenant.**

The owner also must honor the terms of the lease and contract, including the obligation to maintain the unit in safe, decent and sanitary condition and to conduct normal property owner functions, such as rent collection and property maintenance, in accordance with the terms of the lease and state and local laws.

SCREENING TENANTS:

Selection of a family for participation in our program does not mean that the Housing Authority has screened the family's behavior or suitability for tenancy. **Such screening is YOUR responsibility.**

You are encouraged to consider a family's background with the respect to such factors as:

1. Payment of rent and utility bills
2. Caring for a unit and premises
3. Respecting the rights of others to the peaceful enjoyment of their housing
4. Drug-related, criminal activity that is a threat to the life, safety or property of others
5. Compliance with other essential conditions of tenancy

Under HUD regulations, SHA can give you the family's current address, their current landlord's name and address and the name and address of prior owners, when requested. SHA policy, under HUD guidelines, does NOT allow us to supply any further information to prospective owners.

III. When you have a Vacant Unit- What do you do next?

1. Contact the housing office at the SHA and they will explain how the program works, answer any questions you might have about the subsidy program and guide you through the process. You will also discuss the rent and utilities for the unit.
2. Decide whether you want to rent to the SHA subsidy holder. Screen, run credit checks, call references, do whatever you normally do to decide whether to choose that family or individual.
3. Complete the Request for Tenancy Form (which can be supplied by the prospective tenant of the SHA) and submit to the SHA. This will trigger the scheduling of the inspection by the Housing Inspector. We encourage owners to accompany the inspector at the time inspection.
4. SHA will notify you of repairs required by a written summary report. Complete any repairs needed and schedule a follow-up inspection. Meanwhile paperwork will be prepared, and a contract package will be mailed or emailed to you to be reviewed. Please sign and return.
5. Have the tenant sign your lease, pay security deposit and move in. (NOTE: The lease provided to the SHA must match the Housing Assistance Payment Contract with its dates for term, contract rent and household members.)
6. The SHA makes all payments by Direct Deposit. The Housing's authority portion will be deposited directly to you, on or about the first of the month.

NOTE: SHA cannot pay HAP (Housing Assistance Payments) until all the documents are received: A signed lease, lead paint disclosure, W9, Direct Deposit Authorization Form and the Housing Assistance Payment Contract.

IV. Housing Quality Standard (HQS) Inspections:

Prior to SHA beginning subsidy payments to the owner, the unit must be inspected to ensure compliance with HUD Housing Quality Standards (HQS).

These standards were created to ensure that all housing subsidized by SHA meet acceptable criteria for safety, cleanliness, and comfort.

These standards must be continually met both at the commencement of the assisted occupancy and throughout the term of the assisted occupancy.

A. Initial Inspection of the Unit:

It is desirable that the unit be vacant at the time of inspection. The purpose of having the unit vacant is so the inspector will be able to view the unit in move-in condition.

Also, all utilities should be in full working conditions, (this is the case even if the tenant will ultimately be responsible for the payments of these utilities). If the utilities are not on at the time of inspection, an inconclusive rating will be given to that portion of the inspection unit the inspector can verify the utility requirement.

There must be access available to the inspector of all common areas and to the basement of the building.

B. Inspection Criteria:

The inspector will be looking at many criteria during this inspection. These inspections will take place at the time of initial lease-up and at the time of the annual review. Some key items they will be looking at are:

1. **Sanitary Facilities:** The condition and cleanliness of the bathroom facilities. Making sure that all equipment is in working order and does not present any safety/health concerns for the tenant.
2. **Food Preparation and Refuse Disposal:** the unit must have suitable space and equipment to store, prepare and serve food in a sanitary manner. The unit must have an oven, stove, or range, and a refrigerator of appropriate size for the family. All these appliances must be supplied by either the landlord or the tenant. If the tenant is supplying the stove he may substitute a microwave over. If the owner is supplying the stove, a microwave oven may substituted if the tenant agrees and if the owner supplies microwave ovens instead of stoves to both the subsidized and unsubsidized tenants. There must be a kitchen sink in proper working condition.
3. **Space and Security:** There must be adequate space for the family for their size. Generally, the rule of thumb is two persons per living/sleeping area. There must also be security needs provided for the family. Windows accessible from the outside, such as first floor windows, must be lockable, or must be combination storm windows.
4. **Thermal Environment:** This criterion means the ability of the unit to provide adequate heating of the unit for the tenant. There must also be adequate ventilation.

Heating system certification: all heating systems and/or heating appliances must be certified, in writing, to be in safe operation condition. At both the initial and all annual inspections, owners must sign an "owner certification" form attesting to this fact. A heating system service ticket on the heating unit itself also will help the inspection to determine that the unit is maintained and serviced on a regular basis.

5. **Illumination and Electrical:** Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Basically, there must be at least one window in each living/sleeping room. All electrical systems in the unit must be in proper operating condition and not present any safety or health hazards to any of the occupants of the household.
6. **Smoke Detectors & CO Detectors:** are required to be hardwired and placed on each level of the apartment. The “National Fire Protection Association” required the installation of a Smoke Detector & CO Detector on each story including the basement. These detectors must be **HARDWIRED**.

The above items are a sampling of some of the criteria used for determining the acceptability of a unit for assisted housing subsidy. While there are additional requirements to be met, the items above are meant to give a general idea to the property owner if their unit would be a candidate for HCV subsidy. Take a look at these items prior to inspection and it may save the owner and tenant unnecessary delays in the processing of the paperwork.

C. Examples of Common Fail Items at Inspection:

- Defective paint (i.e. flaking, peeling, cracking)
- Poor window condition
- Missing outlet covers and switch plates
- Non-functional smoke/CO detectors, not enough detectors for size of unit, or poor placement of the smoke/CO detectors.

D. Annual Inspections:

SHA requires the unit to be inspected annually. The inspection will be scheduled directly between SHA, the inspector and the tenant will be notified in writing of this inspection.

The tenant is required to be present for this inspection (or an adult of their choice) to allow this inspection to occur.

The SHA is notified in writing with an Inspection Report after this takes place, the SHA then reviews the items listed (if any) to determine if the failed items are a 30-day required repair or a 24-hour emergency life & safety failed item.

The SHA will send you and the tenant an email listing the 24-hour emergency fail item if applicable and mail any 30 day notice fail items.

The owner is required to send back the certification on the inspection form in order for the inspection to be considered complete.

V. Termination due to an HQS Violation:

SHA may terminate assistance to the family and Housing Assistance Payment (HAP) to the owner under certain circumstance. The following is a list possible termination criterion for both the family and the owner:

- If SHA determines that the unit does not meet the HQS space standards because of an increase in family size or composition, and if SHA finds an acceptable size unit available for the family, the HAP contract with the owner must be terminated.
- If the owner fails to maintain the unit in accordance with HQS standards, SHA may terminate the HAP contract with the owner.
- If the family fails to pay for utilities that the owner is not responsible for paying, SHA may terminate the assistance.
- If the family fails to provide and maintain any appliances the owner is not required to provide, SHA may terminate assistance to the family.

If any member of the household or guest damages the unit causing a breach of HQS, SHA may also terminate assistance to the family.

VI. Lead Based Paint

The purpose of addressing the Lead Based Paint (LBP) issue is to implement the LBP Poisoning prevention Act by establishing procedures to eliminate, as far as practical the hazards of LBP poisoning for units assisted under the Section 8 HCV Program. The paragraphs that follow are meant as a general guideline for property owners of the Lead Based Paint issue.

Requirements for building constructed prior to 1978 with children under six years of age in the household must include visual inspections for defective paint surfaces (surface on which the paint is cracking, scaling, chipping, peeling or loose) at both initial and all annual inspections.

If defective paint is found on a yearly inspection, treatment of defective paint surfaces must be completed with 30 calendar days of Housing Authority notification to the owner. If defective paint is found on an initial inspection, it must be addressed before lease-up can be completed. These LBP regulations apply to all painted interior surfaces within the unit, including all protruding (chewable) painted surfaces and all entrance and hallway areas providing ingress and egress to a unit. They also apply to all exterior surfaces up to five feet from the floor or ground that are readily accessible to

children under six years of age, including stairs, decks, porches, windows, and doors, but excluding garages and sheds.

Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:

- If defective paint surface is more than 10 square feet on an exterior wall.
- If defective paint surface is more than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to ceilings, floors, doors and exterior walls;

OR

- More than 10 percent of the total surface area on an exterior or interior surface if it is a small area.

Some acceptable methods of treatment are:

- Removal by wet scrap
- Wet sanding
- Chemical stripping (on or off site)
- Replacing painted components

Some prohibited methods of removal are:

- Open flame burning or torching
- Machine sanding or grinding without and HEPA exhaust
- Uncontained hydro blasting
- High pressure wash and dry scraping except around electrical outlets or where the area is no more than 2 square feet (interior) or total no more than 20 square feet (exterior).

All treatment methods must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. There is no requirement for the owners to repaint the surface(s) with nonleaded paint.

Any questions or concerns regarding this section of the booklet regarding Lead Base Paint should be directed to the Housing Officer and he/she will try to explain further the regulations regarding this issue.

Prior to execution of the HAP contract the owner must inform SHA and the family of any knowledge of the presence of lead-based paint on the surfaces of the unit.

A Lead Paint Disclosure form is required to be signed by the owner and the tenant at the time of signing of the lease. A copy must be presented to the SHA prior to any payments may be processed. An example of a disclosure can be obtained at the SHA office if you do not have one.

VII. HCV and Tenant-Owner Leases

To participate in the Section 8 rental assistance program, the property owner and tenant must enter into a lease. An owner may use their own lease. SHA does require a copy of the lease.

Term of the Lease:

The lease has a specific starting date and will continue until terminated in accordance with its terms. The ways in which it may be terminated include:

- Mutual termination by the property owner and the tenant. This must be submitted in writing to SHA.
- Termination by the tenant, without cause, at any time after the first year of the term of the lease. The tenant is required to give a 30-day written notice to the property owner and to SHA.
- Termination by the property owner if the tenant has committed serious or repeated violations of the lease and conditions of the lease, at any time during the tenancy, or for other good cause. To terminate the tenancy, the owner must serve the tenant the property notices to quit, must send copies to SHA at the same time and must follow all State and Local law. To determine the proper steps of this procedure you should seek legal advice.

Am I able to Evict a HCV Tenant?

The procedures for terminating a tenancy are the same for subsidized tenant as they are for an unassisted tenant. However, you must keep SHA informed of all actions taken. Subsidy payments will continue during the eviction proceedings, provided that they have not been suspended for other reasons such as HQS violations or the family's termination from the subsidy program.

If you are terminating the tenancy for a business or economic reason you must follow the HUD requirement of a 90-day notice to HUD, the tenant, and SHA.

SHA's Role in Ending Tenancy:

If the tenants fail to meet their obligations under the lease or violate any of the other family obligations; SHA may terminate their Housing Assistance. It will then be the owner's responsibility to evict the tenant. SHA is not the owner or manager and has no authority to evict the tenant.

Tenant Termination from Subsidy Program:

A family's participation on the subsidy program may be terminated in the following circumstances:

1. The family voluntarily withdraws from the program.
2. The family's income caused no housing assistance payment to be made for 180 days: or
3. The family fails to meet their Family Obligations to SHA

The property owner will be advised if the family is terminated from the subsidy program. The property owner's contact with SHA will be terminated, and no further subsidy payments will be made.

VIII. Rent

The lease will state the total contract rent for the unit, as well as the initial amounts to be paid by the tenant and SHA. Because the tenant's rent share is based upon their income and family composition, the amount may change during the tenancy. SHA will notify both the property owner and the tenant of any changes.

Payment Standards:

Under the Section 8 Housing Choice Voucher program, there is a payment standard subsidy maximum that SHA may allow as the full contract rent. It is established by HUD and varies according to unit size and for each county within the State of New Hampshire. If the tenant is responsible for paying all or a portion of the utilities, a utility allowance or estimated utility cost is deducted from the Payment Standard. The amount of the utility allowance varies according to the type of utility, size of unit, and type of building the unit is located in.

Rent Reasonableness:

SHA is required to keep subsidized rents in line with private housing market and does not automatically approve contract rents equal to the Payment Standards. This is known as "rent reasonableness." Rent offers are evaluated by the Section 8 Coordinator, who determines what is "rent reasonableness" is on a unit-by-unit basis, taking into consideration current market rents in a given community, size, condition, location, and amenities of the unit being inspected.

IX. Security Deposit

Under the terms of the lease, the property owner is permitted to collect a security deposit in accordance with NH state law. This amount should not be in excess of amounts charged by the owner to unassisted tenants. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner will have to seek to collect the balance from the tenant.

The SHA does not assist with Security Deposits.

X. Additional Provisions

In addition to the basic obligations, there is opportunity in the lease, under additional terms, for the property owner and tenant to add their own provisions to the lease.

Specific issues to consider include: pet policy, late fees, parking policy, etc. One such addition to the lease that is being more defined with the new rules is the small business policy.

An owner may exert control over tenant activities in the same fashion as for any tenancy by including lease provision on business use of the unit, and by enforcing such lease provisions. The lease or owner's house rules (under the lease) may require the tenant to get the owner's permission for any business use of the property and may otherwise regulate use of the unit for business purposes.

XI. Modification to the Lease

The property owner may offer the tenant a proposed new lease to take effect any time after the first anniversary of the current lease.

Changes in the terms of the lease regarding the utilities will be reflected in a HAP addendum, which is drawn up by the SHA HCV Coordinator. In most cases changing the responsibility for the utilities will affect the contract rent.

Note: *This section is a summary only and is no substitute for being familiar with the lease in its entirety.*

XII. HCV Contracts

In addition to a lease, a contract must also be executed in order for SHA to release subsidy payments to a property owner. The start of the lease and contract are contingent upon the unit

passing inspections, the property owner and the SHA agreeing upon the contract rent. To initiate payment for a new tenancy, SHA requires a lease & Lead Paint Disclosure (signed by the property owner and tenant), a HAP contract (signed by the property owner and SHA) and a W-9 tax form and Direct Deposit Authorization Form.

A. Rent Increases:

To request a rent increase on the HCV Program, the property owner must provide both SHA and the tenant with a written request for an increase. This notice, which must be received **60** days in advance of the proposed increase, must state both the new rental amount and the date from which the increase rent is payable. In most cases, the increase will be absorbed entirely by the tenant. Therefore, the property owner is encouraged to discuss the proposed increase with the tenant.

B. Change of Ownership:

The Section 8 Coordinator must be notified should ownership of the lease unit change during the tenancy. A new Housing Assistance Payment Contract must be signed by the new owner and a new lease will need to be executive between the tenant and the new owner, so that SHA may transfer the subsidy payments.

XIII. SHA Disapproval of a Unit

SHA must not approve a unit if they are informed by HUD that the owner is debarred or suspended. When directed by HUD owners must be denied if:

1. The Federal Government has instituted 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; OR
2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

SHA may deny approval for the following reasons:

1. The owner has violated obligations under a housing assistance payment contract under HCV
2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing programs.
3. The owner has engaged in drug-trafficking.

4. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant based programs, or with applicable housing standards for units leased with project-based HCV Assistance or leased under any other federal housing program.
5. The owner has a history or practice of renting units that fail to meet State of Local housing.

XIV. Fair Housing Laws

Fair Housing Laws exist to ensure that all tenants are treated fairly and equally in their search for housing, whether they are looking to own or rent. SHA is dedicated to these fair housing laws and to making sure that the owners and tenants are aware of their rights and responsibilities under them.

Both Federal and State laws exist which protect individuals from discrimination simply because they belong to protected class or category. Some of these protected classes include, but are not limited to: sex, race, handicap, martial or familial status, sexual orientation or gender identity.

XV. Program Fraud

SHA is dedicated to maintaining the integrity of the HCV Program and will take positive steps to prevent the occurrence of program abuse, misrepresentation or fraudulent activity by property owners or families. The HCV Program is funded by the Federal Government. To knowingly defraud the program is to commit a federal crime.

The following are some examples of fraudulent activities by property owners:

- If the property owner receives payment in excess of the rent stated in the lease and contract, as determined by SHA.
- Receiving payment for unit which is not occupied by members of the contract family.
- Receiving payment for a unit in which the assisted family has vacated.

Action taken by SHA if the owner has committed fraud, or other program abuse, may include but are not limited to, deducting the amount of any overpayment from any amounts due to the property owner, or termination of the HAP Contract.

Examples of program abuse/fraud by Section 8 Assisted family include:

- Failure to report income or assets to SHA
- Failure to report changes in assets or income.
- Allowing unauthorized individuals to reside in the contract unit.
- Owning or having any interest in the contract unit.

Actions taken by SHA if a family has committed fraud or other program abuse may include, but are not limited to, making mandatory repayment to SHA for all housing assistance payments which were made as a result of fraudulent information or termination from the assisted housing program.