

**HOUSING AUTHORITY OF
WINSTON-SALEM**



**HOUSING CHOICE
VOUCHER PROGRAM**

**NEW OWNER
HANDBOOK**

Section 1 Introduction

This guidebook has been prepared in appreciation of your interest in participating in the Housing Choice Voucher (HCV) Program through the Housing Authority of the City of Winston-Salem (HA). The rules and regulations for the HCV Program are determined by the U.S. Department of Housing and Urban Development (HUD).

As a public service agency, our goal is to provide excellent service to the families and owners participating in the Program. The HA will make every effort to inform you of the program rules, and to advise you of how these rules affect you. Please do not hesitate to contact an HA representative if you should have any questions or comments which pertain to one of the housing programs.

Section 2 Responsibilities

The HCV Program is a three way partnership among the Housing Authority (HA), the participant, and the owner or landlord. The following enumerates the responsibilities of each:

The Housing Authority must:

1. Review all applications to determine whether an applicant is eligible for the program.
2. Explain all the rules of the program to all of the families who qualify.
3. Issue a Voucher and, if necessary, assist the family in finding a place to live.
4. Inspect and approve the unit and the lease.
5. Make housing assistance payment to the owner in a timely manner. For your convenience, all housing assistance payments are made by direct deposit into your bank account.
6. Ensure that the family and the unit continue to qualify under the program.
7. Provide families and owners with prompt, professional service.

The Owner (or Landlord) must:

1. Screen families who apply to determine if they will be good renters. The HA can provide you with the current and previous address of the resident and the current and previous landlord.

2. Comply with fair housing laws, and not discriminate against any family.
3. Maintain the housing unit by making necessary repairs in a timely manner.
4. Comply with the terms of the Housing Assistance Payment (HAP) contract with the Housing Authority.
5. Collect the rent due by the resident and otherwise enforce the lease.

The Family must:

1. Provide the HA with complete and accurate information.
2. Make their best effort to find a place to live that is suitable for them and qualifies for the program.
3. Cooperate in attending all appointments scheduled by the HA.
4. Take responsibility for the care of their housing unit.
5. Comply with the terms of their lease with the owner.
6. Comply with the Family Obligations of their Voucher.

Section 3 Becoming a Housing Choice Voucher Landlord

If you or someone you know has one or more rental units in Forsyth County and are interested in the program, you may contact the Housing Authority of the City of Winston-Salem at 336-917-6103 during regular business hours of 8:30 to 5:00, Monday through Friday.

Step 1 Finding a Participant

A prospective renter may come to you with a voucher, or you may list your available unit with the Housing Authority. Be sure to read the family's voucher to assure that it has not expired and your unit meets the needs of the family. The HA will not steer families to specific owners or rental units, but they will furnish families with information on units that are available.

Step 2 Owner approves the Resident

Although the family may be determined eligible for the HCV Program, the owner must approve the family as a suitable renter. We recommend that owner screen prospective residents by using one or more of the following: credit checks, police record checks, current and previous landlord checks, home visits, etc. The HA does NOT screen families for their suitability as renters, that is the job of the owner.

The owner may collect a security deposit. The HA has the discretion to prohibit security deposits that are in excess of private market practice, or in excess of security deposits for the owner's unassisted units. The HA does not have funds for security deposits; it must be paid by the family directly to the owner.

The owner will complete the Request for Tenancy Approval (RFTA) (**see Attachment A for sample**) and the Lead-Free Paint Disclosure (**see Attachment B for sample**).

Step 3 HA approval of Lease and Unit

After the family locates a suitable unit and the owner approves the family, the HA will inspect the unit upon receipt of the RFTA to determine if the unit qualifies for the HCV Program. If the unit does not pass inspection, the owner will be notified in writing and given 30 days to make required repairs. If the unit passes the owner and family are notified in writing with instructions as to what to do next. **The monthly rent that the owner is requesting must also be determined rent reasonable for the area in which the unit is located.** In addition, the tenant is prohibited from paying more than 40 percent of their income toward rent and projected utilities.

The owner must execute a lease with the tenant. The lease CANNOT begin until the unit has passed inspection AND the family has received keys to the unit. The HA must attach a copy of the Lease Addendum to the owner's lease. A copy of the Lease Addendum (**see Attachment C**) is attached.

Step 4 Contract and Lease Execution

Once the lease and the unit meet the program requirements, the HA will enter into a Housing Assistance Payment Contract (**see Attachment D**) with the owner, and the family will enter into a lease with the owner. Normally the family will come into our office to sign their paperwork and everything will then be mailed to the owner for signature.

Step 5 Housing Assistance Payments

After the HAP contract and the lease are signed, the HA will make the initial HAP payment and continues to make monthly payments to the owner as long as the family continues to occupy the unit and meet eligibility requirements, and the unit continues to qualify under Housing Quality Standards. All housing assistance payments are made by direct deposit into the owner- designated bank account.

The family is responsible for paying the difference between the HA's payment amount and the total contract amount as indicated by the PHA. It is the owner's responsibility to collect any portion of the rent that is payable by the family.

Section 4 Obligations

There are three HUD-required annual activities that must take place.

1. Recertification of the family income and household composition,
2. Inspection of the housing unit, and
3. Annual adjustments to the contract, if requested by the owner.

Recertification

The HA is required to recertify the family at least annually. The family is required to furnish information to the HA pertaining to total family income, allowable deductions from income, and family composition. If the family's income has increased or decreased, it will change the amount of the family's payment to the owner; this affects the portion of the contract rent that is paid by the family, but it does not affect the total amount received by the owner from both the HA and the family.

The HA will provide written notice to the family and the owner if the family's portion of the rent changes. On occasion, a family fails to cooperate in the recertification process, and it results in a loss of their rental assistance. The HA will notify the owner if the family's rental assistance is being terminated. The Housing Assistance Payment will cease upon termination of the assistance to the family.

Annual Inspection of the Unit

Every unit must be inspected by the HA at least once a year. The HA will provide advance written notice to the owner and the family of the date and time of the annual inspection. Written notice will also be given of the results of the inspection.

If the unit does not pass inspection, a reasonable time period (usually 30 days) will be given to make repairs.

The family is responsible for any repairs that are the result of damage caused by the family (or guests) beyond normal wear and tear. The family is also responsible for the operation of tenant-supplied appliances and the payment of tenant-supplied utilities.

Abatement of Payments

According to the HAP Contract, the owner is responsible for ensuring that the unit meets the Housing Quality Standards during the entire term of the HAP Contract. At any time it is determined that the unit does not meet HQS, the HA will notify you in writing and provide a reasonable time period to make repairs. If the owner repairs are not made within that time period, the HA is required to abate payments. If a payment is abated, the tenant is still responsible only for their share of the rent. Therefore, it is very important that you be aware of the condition of your rental units and make repairs as soon as they are needed.

In addition, if the repairs that are needed are due to family damage above normal wear and tear, it is up to the owner to require that they make the required repairs, or pay the owner to make the required repairs. If the family-related repairs are not completed by the notice period, the HA will terminate the family's assistance.

Voucher Program Rent Increases

After the first year of the lease, the owner may increase the rent with a 60 day notice to the family and the HA. The family must sign off on the increase as it will directly affect the amount of rent that the family pays to the owner. The proposed increase must be determined rent-reasonable by the inspector.

Owner Obligations to the Family

Non-discrimination

All rental property owners are subject to federal and local laws that prohibit discrimination in housing against persons due to their sex, age, ethnicity, race, color, familial status, because they have children, or because of their disability. It is in your best interest to utilize the same methods of screening and selection for all renters and to keep complete documentation. At your request, the HA will furnish you with additional information pertaining to Fair Housing requirements.

Reasonable modification of the unit

Owners cannot discriminate against families with disabilities and should be aware of their obligation to make reasonable modification to the unit for such families, at the family's expense, as required for all persons with disabilities under the Fair Housing Act for the private rental market.

Owner's Obligations to the HA

Program Integrity

Most owners who participate in the program comply with the program rules and the HAP Contract, but occasionally some do not. It is always unpleasant when an owner violates the rules and becomes subject to administrative or other more severe sanctions. The HA's goal is to prevent any embarrassment or expense which may result from owner violations by making sure that the program rules are understood.

Most Common Owner Violations

Failing to maintain the unit

The owner is responsible for normal maintenance and upkeep of the unit. Make sure that repairs which are the responsibility of the owner are made in a timely manner.

Accepting payments for a vacant unit

If a family moves in violation of the lease, the owner must notify the HA immediately. They cannot continue to collect the assistance payment on a vacant unit.

Demanding or accepting side payments

The HA determines the amount of rent to be paid by the family for rent. Any additional payments or agreements must be approved by the HA.

Contract Terminations

Contract and lease tied together

The HAP contract is a contract between the owner and the HA. It runs concurrently with the lease, and it terminates automatically when the lease terminates. Another example of when a HAP contract may end is when a family's income increases to the point that an HA payment to the owner is not longer necessary. The HAP contract terminates automatically 180 calendar days after the last assistance payment is made to the owner.

Breach of contract

Any of the following actions by the owner will be considered a breach of the HAP Contract:

- *Owner violates any obligations of the HAP contract, including HQS.
- *Owner violates any obligation under any other HAP Contract.
- *Owner has committed fraud, bribery, or any other corrupt or criminal act involving a federal housing program
- *Owner has committed fraud, bribery, or other corrupt or criminal act in connection with mortgages insured or loans made by HUD.

Change of Ownership

As a provision of the HAP contract, the owner may not assign the HAP contract to a new owner without the prior written consent of the HA. Therefore, it is necessary to notify the HA if you put the property on the market for sale.

Your HA representative will provide you with what information is needed to request a change in ownership.

Section 5 Terminations

Termination of Tenancy by Family

The family may terminate tenancy after the first year of the lease. HA policy states that family may only move once in a twelve month period. After the initial year, the family must give the owner and the HA written notice of termination of tenancy in accordance with the lease prior to moving from the unit.

Termination of Tenancy by Owner

During the term of the lease, the owner may terminate tenancy only for:

Serious or repeated violations of the terms and conditions of the lease.

Violations of Federal, state, or local law which directly relates to the use or occupancy of the unit or premises.

Other good cause. Other good cause may include the following:

Failure by the family to accept the offer of a new lease or revision.

Family history of disturbance of neighbors, destruction of property, or living or housekeeping habits resulting in damage to the unit or premises.

The owner's desire to use the unit for personal or family use, or a purpose other than residential.

Business or economic reasons, such as sale of property, renovations of unit, or desire to lease the unit at a higher rental.

At the end of the initial term or at the end of any successive definite term, the owner may terminate the lease without cause.

Criminal Activity

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

Owner Notice to Terminate Tenancy

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

Termination of Housing Assistance by HA

If the HA terminates program assistance for the family, the HAP contract terminates automatically. The HA will always provide the owner with written notice of termination of assistance. Rental assistance can be terminated for violating any of the family obligations under the program as well as for serious or repeated violations of the lease.

Section 6 Program Benefits

Owner Benefits

One of the reasons for the programs' success is that owners like you have taken the time to learn the program rules and have recognized some of the benefits of becoming a participating landlord. Over the years, many owners and property managers have come to appreciate the advantages of having a contracted monthly assistance payment as well as minimum inspection standards. Keeping your property consistently well-maintained helps ensure its resale value and also makes it a lot easier to lease up again when a family does move out.

The HCV program has also introduced many novice property owners to key property management principles in the areas of tenant selection and lease enforcement, while it has helped others develop better building maintenance skills.

Family Benefits

The program has also been successful because it provides families with the opportunity to choose the type of rental unit and neighborhood that will meet their needs. Unlike project-based assisted housing programs, families can take their rental assistance with them. Having this flexibility has enabled many families to pursue employment and educational opportunities, be reunited with their friends and family, live in a better climate, and move out of unsafe neighborhoods. Owner participation is essential to making these opportunities a reality.