

# **Lycoming County Housing Authority Housing Choice Voucher**

## **Landlord Handbook**



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## **Welcome to the Lycoming County Housing Authority Section 8 Housing Choice Voucher Program**

Welcome to the Lycoming County Housing Authority (LCHA) Housing Choice Voucher Program (HCV). We are delighted that you are interested in our program! If you are a rental property owner or manager, this handbook will assist you in understanding how the Housing Choice Voucher Program works.

### **What is the HCV program?**

The Housing Choice Voucher Program is a rental assistance program funded by the US Department of Housing and Urban Development (HUD), and administered locally by LCHA. The success of the program depends on our partnership and ability to contract with owner's landlords and property managers who will provide a decent, safe, and sanitary rental unit to the HCV participants. Many low-income families in Lycoming County depend on owners like you, who are willing to participate.

The Housing Choice Voucher program was created to allow the Housing Authority to pay a fixed amount based on the tenant's income and the tenant is responsible for the amount above the Section 8 payment.

The tenant will be initially responsible to pay at least 30% of their monthly income but no more than 40% for rent and utilities. There are no published limitations on the amount of contract rent a landlord may request; however, the rent must still be comparable to other similar units in the area.

### **What are the Benefits to becoming a HCV Landlord?**

- Receiving monthly assistance payments that are on time and guaranteed.
- If the tenant's income decreases, their portion of the rent can be lowered and the Housing Authority's portion can be increased, so the Landlord gets their full rent amount.
- There is minimal paperwork
- Landlords use their own lease and their screening process for tenant selection.
- Annual inspections done by the Housing Authority will help you to maintain your property.
- LCHA assists landlords when the tenant is in violation of the lease by sending warning letters.
- LCHA can assist in locating tenants to fill vacant units.

## **How does a Landlord Get on the HCV Program?**

Families apply to LCHA for rental assistance. When a family's application reaches the top of the waiting list, eligibility for the program is verified. At a tenant briefing, LCHA issues the family a Voucher, Rental Limit Estimate and Request for Tenancy Approval (RFTA Packet), which permits them to seek a rental unit. A prospective tenant will provide this documentation to a landlord who will qualify the family as per the landlord's criteria similar to that used for unassisted rental applicants. Landlords should ensure that the tenant selection standards are based on objective, business-related considerations, such as previous history of rental payment, credit reports, landlord references, damages to unit, or disturbance of neighbors. Tenant selection must not be based upon race, color, age, religion, sex, familial status, disabilities, or any other discriminatory factors. LCHA does not screen families for their suitability, this is the owner's responsibility.

Any landlord willing to work within the guidelines of the Section 8 program can rent to a family participating in the HCV program. The rent must be within the family's budget and comparable to other rents in the area. The unit must meet the Housing Quality Standards, and the landlord must be willing to maintain and enforce their obligations under the signed contracts. The Housing Authority provides a courtesy list of units, which is available to HCV participants.

## **Who is an Eligible HCV Participant?**

There are five eligibility requirements for admission to the HCV Voucher program. To be eligible for the HCV program, the family must:

- Qualify as a Family as defined by HUD and the Housing Authority.
- Have income at, or below HUD-specified income limits.
- Qualify on the basis of citizenship or the eligible immigrant status of family members.
- Provide social security cards and information for all family members as required by HUD.
- Must supply true and complete information as required, example income and family Composition

## **How Does the Process Work?**

Once the family finds a landlord willing to participate, the following process begins:

### **Tenant Screening**

When a tenant approaches a landlord about renting a unit, it is important to remember they have only been screened by the Housing Authority for

program eligibility criteria and have not been screened for suitability. This should be the first step performed by the landlord.

The Housing Authority assists the landlord in screening by supplying the name, address and telephone number of the last landlord to rent to the tenant, if known. This information can be found on the back of the Request for Tenancy Approval supplied by the tenant. It is O.K. to charge a screening fee and holding fee to the prospective tenant as long as it is the same fee charged to other unassisted tenants.

### **The Request for Tenancy Approval**

If the tenant passes the landlord's screening criteria and is accepted, the new landlord must complete the RFTA packet in order to get the process started: the "Request for Tenancy Approval", the "Section 8 Landlord Certification", a request for "Taxpayer Identification Number", "the Lead Based Paint" form (See Exhibits) and "Direct Deposit form".

The landlord and the participant must complete and return these forms to the Housing Authority for review. The Housing Authority will look first at the rent requested by the landlord. It must be comparable to rents for other similar units in the area and the tenant's portion must not exceed 40% of their income.

If the requested rent is not comparable, the landlord will be asked to negotiate a lower rent. There is no obligation to alter the rent. However, if the landlord is unable to lower the rent, the unit cannot be used on the program and the Section 8 participant will need to look elsewhere. There can be no side agreements between the landlord and the tenant requesting the tenant to pay the difference. If these criteria are met, the information will be forwarded to an inspector to schedule an inspection.

Landlords may collect a refundable security deposit. The deposit may be in accordance with private market practice and shall not exceed the deposit that a landlord asks for from a private market tenant at their unassisted units.

### **The Unit Rent Approval**

Participants are given information the amount that they can spend on a unit. At the time of initial lease-up, a unit must meet two rent tests:

1. The unit must be rent reasonable in comparison to other rents charged for comparable unassisted units; and

2. The tenant's portion cannot exceed 40% of their monthly income for Rent and utilities.

## **The Inspection Process**

Housing Quality Standards (HQS) play an important role in the administration of the Section 8 program. The HQS inspection is required before assistance can be appropriated. The basic purpose of the inspection is to insure that the unit meets all the minimum inspection standards set by HUD. If the unit fails the initial inspection, all failed items must be corrected prior to the subsidy term beginning.

### **What is Inspected?**

While we can't include every item on the inspection, please see the main items that will be inspected on your property:

✓ **Entry Doors:** Must lock securely. If there are gaps that let air in, weather-stripping must be applied.

✓ **Windows:** Those designed to open must open and must have a permanent lock attached. (Sticks and thumbscrews are not accepted as locking devices). The windowpanes must not be broken or cracked.

✓ **Electrical Hazards:** All electrical outlets and switches must have cover plates that are not cracked and they must be secured to the wall. Also, there can be no exposed wiring in the home and all light fixtures must be properly mounted to the wall or ceiling, and must be working. Breaker boxes must have all open spaces filled with knock outs or blank spacers, and must not have any exposed wires.

✓ **Oven/ Range:** Burners must lay flat and all elements must be working properly. All knobs and dials must be present on the appliance.

✓ **Refrigerator:** Gasket must not be loose or cracked.

✓ **Heating and Plumbing:** The heating system must be on, working properly, and provide adequate heat. Oil, gas and propane furnaces must be professionally serviced at least every two years. Verification of service must be provided, and the furnace must be safe and working properly. Plumbing fixtures (sinks, toilets, showers, etc.) must not leak.

✓ **Hot Water Heaters:** Must have a pressure relief valve and discharge line that extends to within 6 inches of the floor. Discharge tubing must be of the appropriate type of material- either galvanized steel or copper or CPVC piping (Do not use PVC). There should be no exposed wires. In addition, flammable material should not be stored near the hot water tank.

- ✓ **Flooring:** Carpets that are frayed or torn, or vinyl, tile or linoleum that would be a tripping hazard must be repaired. Exposed carpet tacks or thresholds which are loose must be repaired.
- ✓ **Smoke Detectors and Carbon Monoxide Detectors:** A smoke detector and a carbon monoxide detector must be on each floor of the unit and must have a tester button. Units occupied by a hearing impaired person, must be equipped with a smoke alarm designed for the hearing impaired and mounted in the bedroom occupied by the hearing impaired individual.
- ✓ **Ventilation:** Bathroom fans must be operable or there must be alternative ventilation (i.e. window).
- ✓ **Decks, Railings, Steps:** Stairways with 4 or more risers must have a handrail. The handrail must run the length of the stairway and be securely supported in order to provide adequate safety for the user. Decks, rails and steps, must also be free of dry rot and tripping hazards. Railings are required for decks, porches, or steps that are over 30 inches from the ground.
- ✓ **Peeling Paint:** HUD requires that a home built prior to 1978, have no deteriorated or peeling paint on the inside and outside of the unit, if the unit is occupied by children under the age of six.

### **Subsequent Yearly Inspections**

The Housing Authority is also required to inspect the unit annually or biannually after it is initially set up. The unit must pass this inspection prior to the annual review date of the contract in order to continue to receive the Section 8 Assistance.

In most cases, if the unit fails the inspection, the Housing Authority will allow the landlord fourteen (14) to thirty (30) days to make the repairs. However, if the failed item is considered to be life threatening, Federal law requires the repairs to be made within 24 hours. Additional time may be granted in cases where extensive repairs are needed.

### **What Happens if the Repairs are Not Completed?**

While it is generally the landlord's responsibility to maintain the condition of the assisted unit in accordance with the regulations governing the Section 8 Programs, the landlord may hold the tenant responsible for tenant caused damage. The landlord may require the tenant to repair or pay for those items that are tenant caused. If the landlord chooses to have the tenant repair the damages, the landlord must notify the tenant explaining which items they are to repair, with a copy provided to the Housing Authority. If the tenant fails to repair the items that are tenant caused within the time frame indicated, the

tenant's Housing Assistance may be terminated. Rent abatement, or the withholding of Housing Assistance Payments, applies when the Housing Authority verifies that the repairs have not been completed to meet minimum HQS requirements within the time period given. On those rare occasions when the landlord does not complete the repairs, the Housing Authority's portion of the Contract rent will be abated.

Once the repairs have been made, the Housing Assistance Payments will resume, prorated from the date that the unit passes housing inspection. The Tenant cannot be held responsible for the abated Housing Assistance Payment.

If the unit remains under abatement and repairs are not completed, the Housing Authority will notify the tenant and the landlord that the Section 8 Housing Assistance Payments Contract will be terminated and no further assistance will be paid on this unit. The tenant can either stay in the unit and pay the contract rent or move from the unit provided proper notice has been given to the landlord.

### **Procedure to Dispute a Housing Authority Decision**

The Housing Authority will provide an owner in its Section 8 Program an opportunity for an informal review to consider whether decisions relating to the individual circumstances of the owner are in accordance with the law, HUD regulations and/or policies in the following cases:

- To review the HA's determination that a unit is not in compliance with HQS;
- To dispute a rent reasonableness determination made by the HA; or
- To dispute a denial of participation in the Section 8 program.

Owners wishing to dispute one of the above reasons must request a review of the determination in writing, making reference to the specific problem they wish reviewed. A time will be scheduled with a Section 8 Senior Manager who was not a party to the original decision within ten (10) days of the request.

The review, depending on the owner's request, can be performed either via telephone or meeting at the Section 8 office where all parties are present.

Utilizing either method, the owner shall have the right to submit any documentation they believe should be considered in making a decision. After all items have been discussed, the owner will receive a written response from the HA within ten (10)

days of the review detailing the final determination and the reasoning behind the decision.

If an owner is not satisfied with the decision, they may request, in writing, that the Manager of Section 8 Program or other designee review the information. No formal meeting will be held. The response of the Associate Director of Section 8 Program is final, and will be issued within ten (10) days of the date of the request.

## **What are Payment Standards?**

LCHA's payment standards define the highest amount we will pay each month to help a voucher holder with rent and utilities. This amount also depends on the number of bedrooms in the home.

Please see the Section 8 Department for the current payment standards .

## **Unit Lease and Contracts**

Unit leases and Housing Assistance Payment contracts need to be signed before payment on a unit can begin (See Exhibits). Landlords who use a standard unit lease for their unassisted units must continue to use their own lease, in conjunction with the HUD mandated lease addendum.

For all new Section 8 contracts, a copy of the lease must be submitted to the Housing Authority prior to payment being made. There may be a slight delay of one to two weeks for the first subsidy payment to reach the landlord due to in-house accounting procedures. Subsequent payments will be made the first working day of each month.

The landlord, in accordance with the lease, should collect the tenant's portion of rent as well as their deposit amount. Collecting amounts that are not listed on the contract is a violation of the program.

## **Annual Rent Increases**

Landlords can change the terms of the lease and contract after the first 12-month lease ends. This includes changes to both rent and utilities. The rent change request can be submitted using the rent request increase form and submitted to the Section 8 Department. This notice must be received by the Authority at least 60 days before the proposed effective date of the increase. It is the Landlord's responsibility, not the tenant's, to notify the housing authority of the proposed rent increase.

There is no limit on the amount of rent increase; however, the rent must continue to be reasonable to similar units in the area. It is important to remember, the tenant

pays for most of the rent increases on the voucher program, and affordability may become a factor if their portion gets too high for them to pay. The 40% limitation described above does not apply to annual rent increases.

### **What are the Responsibilities of the Landlord?**

The landlord has an obligation to both the Housing Authority through the Housing Assistance Payments (HAP) Contract and to the tenant through the unit lease. The HAP contract states a landlord agrees to the following:

1. The landlord will maintain the unit and premises in accordance with Housing Quality Standards.
2. The landlord will assure that the unit is leased only to those family members listed on the lease.
3. The landlord will assure that the total rent for the Section 8 unit does not exceed rents charged for other unassisted units in the premises.
4. The landlord has not and will not receive any other form of payment for the unit while under contract.
5. The landlord will assure that the family does not own or have any interest in the unit.
6. The landlord is not related in any way to the family (except in the case of a disabled resident) nor does the landlord currently reside in the unit.
7. The landlord will not commit fraud, bribery, drug-trafficking, or any other corrupt or criminal action.
8. The landlord will enforce the tenant obligations listed on the lease, especially those involving illegal drug use and violent criminal activity.
9. The landlord will decide what utilities the tenant will be responsible for, and what utilities will be included in the rent.

The obligation to the tenant is outlined in the lease or lease addendum whereby the landlord agrees to maintain the unit in accordance with the Housing Quality Standards, and to enforce the tenant obligations listed on the lease.

### **What are the Responsibilities of the Tenant?**

In order to participate on the HCV program, a tenant has responsibilities to both the landlord and the housing authority. The tenant responsibilities to the landlord are listed on the lease or lease addendum and include, but are not limited to, such items as:

1. Payment of rent and any utilities listed as their responsibility.
2. To use the unit as their principal place of residence.
3. Not to sublease the unit or allow unauthorized people to reside in the unit.

4. Not violate any terms of their Lease Agreement, example excessive noise, cleanliness, unauthorized occupant, park vehicles in common areas , storage of items, smoking in non designated areas etc.

The tenant responsibilities to the Housing Authority are listed on the Housing Choice Voucher and include, but are not limited to the following:

The family **MUST:**

- Supply any information that the Housing Authority or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- Promptly notify the Housing Authority in writing when the family is away from the unit for an extended period of time in accordance with Housing Authority policies.
- Notify both the Housing Authority and the landlord in writing before moving out of the unit or terminating the lease.
- Allow the Housing Authority to inspect the unit at reasonable times and after reasonable notice.
- Request Housing Authority written approval to add any family member as an occupant of the unit.
- Give the Housing Authority a copy of any landlord issued eviction notice.
- Supply true and complete information.

The Family (including each family member) **MUST NOT:**

- Own or have any interest in the unit (other than in a cooperative, or landlord of a manufactured home leasing a manufactured home space).
- Commit any serious or repeated violation of the lease.
- Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
- Participate in illegal drug or criminal activity.
- Sublease or sub-let the unit or assign the lease or transfer the unit.
- Damage the unit or premises (other than damages from ordinary wear and tear) or permit any guest(s) to damage the unit or premises.

## **Renewal of the Lease Agreement**

Upon expiration of the initial 12 month term of the lease agreement, tenant and landlord may decide to renegotiate and extend the lease terms or continue the existing lease terms on a month to month basis.

### **Termination of Assistance by the Housing Authority**

Although the Housing Authority will work with tenants and landlords in an attempt to overcome any problems which may occur while on the HCV program, there may come a time when the only option left is to terminate the housing assistance payments which are being made on the tenant's behalf. Listed below is a non-inclusive list of reasons for termination:

- If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel;
- If the family has not reimbursed any Housing Authority for amounts paid to a landlord under a HAP contract for rent , utilities or damages to the unit, or for other amounts owed by the family under the lease;
- If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, for amounts paid to a landlord by a Housing Authority. At its sole discretion, the Housing Authority may offer an agreement and the terms to repay amounts owed to a HA for amounts paid to a landlord by a Housing Authority.
- If the family violates their family obligations listed on the Voucher;
- If any member of the family fails to sign and submit consent forms for obtaining necessary information.

### **Termination of Assistance by Tenant**

In accordance with the lease or lease addendum, a tenant wishing to remain on the HCV program is obligated to remain in the unit for at least 12 months before being given the option to move. However, a tenant may choose to terminate their assistance with HCV program at any time. If they do, a landlord needs to understand that the HCV contract will also terminate and the LCHA HAP contract payment will be cancelled. In these cases, the Housing Authority does advise tenants who wish to move to give proper notice to a landlord in accordance with State and local law.

### **Termination of Assistance by the Landlord**

During the term of the lease, a landlord has the right to terminate the tenancy of a tenant who is in violation of the unit lease; however, any eviction notice must be issued in accordance with the lease, and State and local law.

During the first year, the landlord must have cause to terminate the lease. Following the first year, if a new lease is not signed, cause is not necessary. Copies of any

eviction notices must be given to the Housing Authority at the same time the landlord notifies the tenant.

## **Fraud**

The Lycoming County Housing Authority vigorously pursues fraud and criminal activity allegations and strongly encourages those with information regarding fraud/criminal activity pertaining to applicants, tenants or landlords, to notify the Lycoming County Housing Authority by contacting the Section 8 Department.

## **Fair Housing**

Antidiscrimination laws limit the tenants you can accept and reject. Federal and state antidiscrimination laws limit what you can say and do in the tenant selection process. When choosing tenants, keep in mind the following best practices.:

**Check credit, income, and references.** Today you can easily run a credit check for a minimal fee. Also, you can and should call the tenant's references, especially former landlords. You should also verify an applicant's employment, income, and bank account information. Be consistent in your screening. Make it your policy, for example, to always require credit reports; don't just get a credit report for a single parent or people of a particular nationality.

**Make decisions based on business reasons.** You are legally free to choose among prospective tenants as long as your decisions are based on legitimate business criteria. Don't make choices based on personal reasons. You are entitled to reject applicants with bad credit histories, income that you reasonably regard as insufficient to pay the rent, or past behavior—such as property damage or consistent late rent payments—that makes someone a bad risk. It goes without saying that you may legally refuse to rent to someone who can't come up with the security deposit or meet some other condition of the tenancy.

**Understand fair housing rules.** Fair housing laws specify clearly illegal reasons to refuse to rent to a tenant. The [Federal Fair Housing Acts](#) (42 U.S. Code § §3601-3619, 3631) prohibit discrimination on the basis of race, religion, national origin, gender, age, familial status, physical or mental disability (including recovering alcoholics and people with a past drug addiction). Many states and cities also prohibit discrimination based on marital status or sexual orientation.

**Train your staff to understand the rules, too.** Anybody who deals with prospective tenants must follow fair housing laws. This includes owners, landlords, managers and real estate agents, and all of their employees. As the property owner,

you may be held legally responsible for your employees' discriminatory statements or conduct, including sexual harassment.

**Be consistent.** Consistency is crucial when dealing with prospective tenants. If you don't treat all tenants more or less equally—for example, if you arbitrarily set tougher standards when renting to members of a racial minority—you are violating federal laws and opening yourself up to lawsuits. And if you give one person a break (such as lowering the security deposit for a single mother but not for other tenants), you'll likewise risk a charge of discrimination from other tenants.

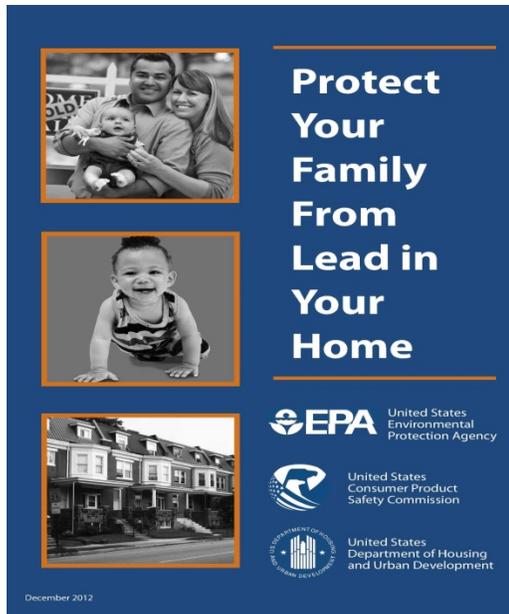
**Want to learn more?** There's a lot more to finding and screening good tenants. For information on creating rental applications, performing credit and criminal background checks, and evaluating and rejecting tenants, see [\*Every Landlord's Guide to Finding Great Tenants\*](#), by Janet Portman (Nolo). This book includes 40 forms (available for download on Nolo.com), including a rental application, a legal residency form, and a rejection letter, along with two consent forms: one for contacting references and performing a credit check, the other for performing a criminal and background check.

## **Lead Base Paint**

Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992, also known as Title X, to protect families from exposure to lead from paint, dust, and soil. Section 1018 of this law directed HUD and EPA to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978.

What is Required?

Before ratification of a contract for housing sale or lease, sellers and landlords must:



- Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your Home" pamphlet, currently available in English, Spanish, Vietnamese, Russian, Arabic, Somali).
- Disclose any known information concerning lead-based paint or lead-based paint hazards. The seller or landlord must also disclose information such as the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces.
- Provide any records and reports on lead-based paint and/or lead-based paint hazards which are available to the seller or landlord (for multi-unit buildings, this requirement includes records and reports concerning common areas and other units, when such information was obtained as a result of a building-wide evaluation).
- Include an attachment to the [contract](#) or [lease](#) (or language inserted in the lease itself) which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all notification requirements. This attachment is to be provided in the same language used in the rest of the contract. Sellers or landlords, and agents, as well as homebuyers or tenants, must sign and date the attachment.
- Sellers must provide homebuyers a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection opportunity.

