

BECOMING A SECTION 8 LANDLORD GASTONIA HOUSING AUTHORITY (GHA)

This document contains three sections.

1. Introduction to the program and roles of the tenant, landlord, GHA and HUD.
2. **Specific information on what is required of a landlord to place a property on the Section 8 Housing Choice Voucher Program.**
3. Section 8 Landlord Frequently Asked Questions

INTRODUCTION

The housing choice voucher program provides housing assistance to low-income participants who find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to properties located in subsidized housing projects. Housing choice vouchers are administered locally by GHA who receives federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

A family that is issued a housing voucher is responsible for finding a suitable housing property where the owner agrees to rent under the program. This property may include the family's present residence. Rental properties must meet minimum standards of health and safety which includes HUD's Housing Quality Standards (HQS) and GHA's Acceptability Criteria Variations (ACV.)

A housing subsidy is paid to the landlord directly by GHA on behalf of the participating family. The family then pays the difference between the contract rent for the unit and the amount subsidized by the program.

Roles - the tenant, the landlord, the housing agency and HUD

Once GHA approves an eligible family's property, the family and the landlord sign a lease and, at the same time, the landlord and GHA sign a housing assistance payments contract that runs for the same term as the lease. This means that everyone -- tenant, landlord and GHA -- has obligations and responsibilities under the voucher program.

Tenant's Obligations: When a family selects a property, and the PHA approves the property and lease, the family signs a lease with the landlord for at least one year. The tenant may be required to pay a security deposit to the landlord. After the first year the landlord may initiate a new lease or allow the family to remain in the property on a month-to-month lease.

The family is expected to comply with the lease and the program requirements, pay its share of rent on time, maintain the property in good condition and notify GHA of any changes in income or family composition.

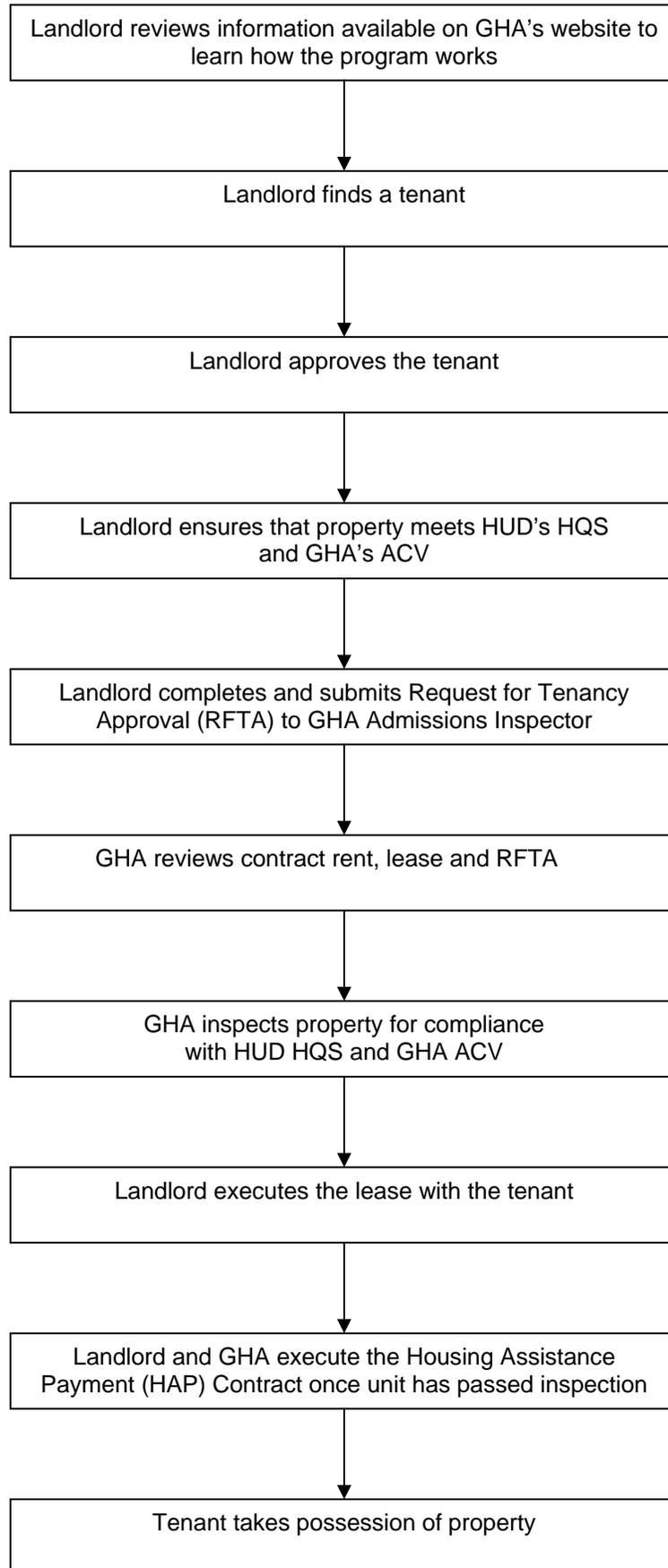
Landlord's Obligations: The role of the landlord in the voucher program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The property must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and the contract signed with GHA.

GHA's Obligations: GHA administers the voucher program locally. GHA provides a family with the housing assistance that enables the family to seek out suitable housing and GHA enters into a contract with the landlord to provide housing assistance payments on behalf of the family. If the landlord fails to meet the owner's obligations under the lease, GHA has the right to abate or terminate assistance payments. GHA must reexamine the family's income and composition at least annually and must inspect the property at least annually to ensure that it meets minimum housing quality standards.

HUD's Role: To cover the cost of the program, HUD provides funds to GHA to make housing assistance payments on behalf of the families. HUD also pays GHA a fee for the costs of administering the program.

Additional information can be found on HUD's website at
http://www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm#4.

PROCEDURE FOR BECOMING A SECTION 8 LANDLORD



PROCEDURE FOR BECOMING A SECTION 8 LANDLORD

1. **Review printed materials available on GHA website to learn about the Section 8 program** (landlord)
 - ❖ Printed material will provide information on:
 - ❖ Program requirements
 - ❖ Request for Tenancy Approval (RFTA)
 - ❖ Housing Assistance Payments (HAP)
 - ❖ Electronic payment of HAP
 - ❖ Advertising your property;
 - ❖ Payment standards, total tenant payment, contract rent, utility allowances
 - ❖ Rent reasonableness
 - ❖ Security deposits;
 - ❖ Lease requirements;
 - ❖ Process for placing a property on the program; and
 - ❖ Requirements for passing the initial inspection.
2. **Landlord finds a tenant** (landlord)
 - ❖ Advertise your property
 - ❖ List your property on www.socialserve.com
 - ❖ The tenants must have a valid Housing Choice Voucher in order to receive assistance through the Section 8 program.
3. **Landlord approves the tenant** (landlord)
 - ❖ The landlord is responsible for screening the tenant according to the same standards used for other tenants.
 - ❖ GHA recommends screening for credit, criminal, and rental history.
 - ❖ Owner sets the amount of the security deposit and is responsible for its collection (Not to amount normally charged for security deposits in the area).
 - ❖ The owner sets the amount of proposed rent and discusses with the prospective tenant.
 - ❖ The rent **CANNOT** exceed market rental rates for the neighborhood and property type and condition.
4. **Landlord ensures that property meets all HUD and GHA's property standards** (landlord)
 - ❖ The landlord ensures that the property meets both the HUD Housing Quality Standards (HQS) and GHA's Acceptability Criteria Variations (ACV) by inspecting the property and making needed repairs or modifications PRIOR to submitting a Request for Tenancy Approval (RFTA) to the GHA Admissions Inspector.
 - ❖ The landlord uses the document GASTONIA HOUSING AUTHORITY, PASSING THE SECTION 8 HQS INSPECTION COMMONLY FAILED ITEMS as a resource to ensure compliance with the HUD Housing Quality Standards (HQS) and Acceptability Criteria Variations (ACV.)
 - ❖ Copies of the HQS, ACV and GASTONIA HOUSING AUTHORITY, PASSING THE SECTION 8 HQS INSPECTION COMMONLY FAILED ITEMS are available at the Section 8 office at 340 W Long Ave or on the GHA website, www.ghanc.org.
 - ❖ After the landlord makes repairs or modifications to the property sufficient to meet all inspection requirements listed above, the landlord submits the RFTA.

5. Landlord submits Request For Tenancy Approval (RFTA) to GHA Admissions Inspector (landlord)

- ❖ The landlord should complete all applicable parts of the RFTA packets and submit it to the Admission Inspector. RFTAs can be submitted via mail, fax, or e-mail. RFTAs can also be submitted by placing them in the drop box located in the lobby at our central office. RFTAs will not be considered accepted until all information is received. All documents must be complete and legible.
- ❖ The property owner provides the following documentation with the RFTA:
 - ❖ Property owners who have not participated in the program before must submit a completed W-9 form and a copy of their social security card or written verification of their taxpayer identification number;
 - ❖ Written proof of legal ownership of the property. Acceptable proof is a copy of the deed or tax bill;
 - ❖ If an agent manages the property, a copy of the management agreement must be provided;
 - ❖ Voided check;
 - ❖ Executed Authorization Agreement for Automatic Deposits for Housing Assistance Payments; and
 - ❖ Blank copy of proposed lease. The lease must be for a term of one year and specify the party (responsible for utilities and appliances).

6. GHA reviews contract rent, lease and RFTA (GHA)

- ❖ GHA staff will review the proposed contract rent against GHA's approved rent reasonableness methodology;
- ❖ If the rent exceeds the rent reasonableness amount or GHA payment standard, the landlord may negotiate with GHA staff in an attempt to determine an acceptable rent;
- ❖ If the proposed rent amount or terms of the lease are not acceptable, the landlord will be given an opportunity to revise the lease terms. If the landlord does not agree to meet the required terms the property will be disapproved for participation in the program;
- ❖ The final determination that the rent is reasonable will not be made until after the unit is inspected.

7. GHA inspects property for compliance with HUD Housing Quality Standards (HQS) and GHA Acceptability Criteria Variations (ACV) (GHA)

- ❖ Inspections will typically be performed within fifteen days of submission of the RFTA;
- ❖ ALL utility service must be on before the property can be scheduled for inspection. The landlord may certify that the utilities are on in their name, but the HAP contract cannot be executed until the tenant provides receipts showing their name, address, and account number (unless the landlord provides the utilities and they are included in the contract rent);
- ❖ All appliances, whether supplied by the landlord or the tenant, must be inspected before the unit can pass inspection;
- ❖ The owner or owner's representative must be present for all inspections;
- ❖ If the property is occupied, the tenant must have an adult family member present. GHA WILL NOT enter an occupied property without the tenant present unless there is a properly executed Consent to Inspect and Indemnification Agreement form on file at the Section 8 office;
- ❖ Should the property fail the initial inspection, **the property will be automatically rescheduled for inspection 30 days from the date of original inspection;**

- ❖ No more than two inspections will be performed on any property; after which it will be disapproved;
- ❖ The GHA inspector will notify the landlord, tenant and the caseworker when the property passes HQS.

8. GHA initiates Housing Assistance Payment (HAP) Contract (GHA)

- ❖ The GHA Admissions Inspector will determine if she/he must re-verify income, re-calculate rent and if all information from the landlord and tenant has been received and is correct;
- ❖ When all information is deemed correct, the GHA Admissions Inspector will e-mail the landlord a completed copy of the HAP contract.

9. Landlord executes the lease with the tenant (landlord)

- ❖ The landlord contacts the prospective tenant and executes the lease and has tenant complete the Consent to Inspect and Indemnification Agreement form (if not already submitted);
- ❖ The landlord signs the HAP contract and returns it to the Admissions Inspector along with a copy of the executed lease and the Consent to Inspect and Indemnification. Forms may be submitted via mail, fax, or e-mail. Forms may also be placed in the drop box located in the lobby at our central office;
- ❖ Once the HAP contract is executed, actual payments will begin the first of the following month. Properties that pass inspection the last ten days of the month are not guaranteed to have the HAP contract signed in time to begin payment the following month. In these cases, the HAP for the first month will be paid for the full month with the second month's HAP disbursement;
- ❖ All housing assistance payments are distributed by automated clearing house (ACH) transactions and are deposited into the landlord's bank account no later than the 5th of the month;

10. Tenant takes possession of the property (landlord, tenant)

11. Ongoing housing assistance (landlord, tenant and GHA)

- ❖ Monthly HAP payments will continue as long as the family and the property continue to qualify under the program rules;
- ❖ GHA must conduct re-inspections of the property annually and upon request from the owner, tenant, or third party for as long as the tenant remains in the property;
- ❖ If the property fails an inspection, the owner must correct repairs during the proper time frame (within thirty days of inspection) and notify the inspections department in writing that the repairs have been completed. Failure to do so will result in the abatement of the owner's payments.

Find out more about the Section 8 program by visiting HUD's website at
http://www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm

SECTION 8 LANDLORD FREQUENTLY ASKED QUESTIONS

How do I know if a tenant has a valid Housing Choice Voucher?

Ask the tenant to bring their voucher when you show the property.

When can the tenant move into the property?

The landlord decides when a tenant can move into a property (GHA recommends that they not move in until after the property passes inspection). Remember, GHA will not begin making any housing assistance payments (HAP) until AFTER (1) the property passes inspection, (2) the tenant has utility services connected and provided receipts to GHA, and 3) the tenant has possession of the property. Always notify GHA when a tenant moves into the property.

How is the tenant's portion of the rent calculated?

A tenant will pay approximately thirty percent of their monthly income toward rent and utilities.

How is the tenant's portion of the rent collected?

The owner is responsible for the collection of the tenant's portion of the rent. If the tenant's rent is not paid, the owner must pursue legal remedies allowable under NC law.

How much will the Housing Authority pay for each property?

There is no set price for a property based on bedroom size. Owners cannot charge more for a property under the Section 8 program than they would for the property on the open market. Owners should request the rent they believe the property warrants, and GHA will determine whether or not it is approvable.

GHA will determine a payment standard that is the amount generally needed to rent a moderately-priced property in the neighborhood where your property is located. The payment standard is used to calculate the amount of housing assistance a family will receive. However the payment standard does not limit and does not affect the amount of rent you may charge or the family may pay. A family which receives a housing voucher can select a property with a rent that is below or above the payment standard. The housing voucher family must pay 30% of its monthly adjusted gross income for rent and utilities, and if the gross rent (contract rent plus anticipated utility costs) is greater than the payment standard the family is required to pay the additional amount. By law, whenever a family moves to a new property where the rent exceeds the payment standard, the family may not pay more than 40 percent of its adjusted monthly income for rent and utilities.

What if the tenant's voucher is for a smaller size than the property?

Tenants can rent a larger size property than determined by GHA. However, GHA will base the payment standard on the voucher size.

If my payment is abated because repairs are not completed in a timely manner, can I collect GHA's portion of the rent from the tenant?

NO. The tenant cannot be held responsible for GHA's portion of the rent.

What do I do if the tenant is violating the lease?

Owners are responsible for enforcing their own lease. In addition, if there is any correspondence to the tenant (including eviction proceedings, a copy should be provided to the Housing Authority.

What if the property fails inspection because of damage done by the tenant?

Owners have the right to pursue collective action against tenants for any damages that exceed normal wear and tear. GHA encourages owners to provide the tenant with a list of charges they can expect to incur in the event they damage the property.