



EQUAL HOUSING  
OPPORTUNITY

# HCV LANDLORD SEMINAR

(FORMERLY KNOWN AS SECTION 8)

What you should know as an owner  
who is renting to a HCV/Section 8  
Client.

# ARE YOU AN OWNER OR LANDLORD THAT HAS A TENANT THAT IS RECEIVING SUBSIDY OR YOU ARE INTERESTED IN ACCEPTING FEDERAL SUBSIDY?

## Well this meeting is for you!

- Our goal is to walk through the process of accepting a tenant that has a voucher and some of the obligations of compliance and non-compliance

# THERE ARE TWO AGENCIES THAT PROVIDE TENANT BASED ASSISTANCE TO LOW INCOME FAMILIES IN OUR JURISDICTION THEY ARE THE FOLLOWING:

Montana Department of Commerce-

Their jurisdiction is Lewis and Clark, Broadwater and Jefferson County

Helena Housing Authority

Their jurisdiction is 10 mile radius of the Helena City limits.



## Where do the funds come from?

Both the Helena Housing Authority (HHA) and Montana Department of Commerce (MDOC) receive funds from the U.S. Department of Housing and Urban Development.

Each of these agencies enter into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. Both HHA and MDOC must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

## HOW DO PEOPLE KNOW THAT I WILL ACCEPT THEIR VOUCHER?

HUD requires the Housing Authority to provide a list of landlords or other parties known to the HHA who may be willing to lease a unit to the family.

- We send out rent reasonable forms annually and ask you to advise us if you want to be on our list that is given to voucher holders.
- Families may also use other resources to search for housing. Such as; yellow pages, classified ads, Craig's List, MTHousingSearch.com, etc.

## So how do I qualify to be a landlord that can receive federal subsidy?

If you are approached from someone that has a voucher they will give you a request for tenancy approval or what we call a RTA.

The RTA is what must be filled out by you and returned to the Housing Authority. This is one thing that is used to determine if the voucher holder can rent from you with their voucher.

The following must be completed before an inspection can be scheduled:

- #2: Address of the unit**
- #3: Requested Beginning Date of Lease**
- #4: Number of Bedrooms**
- #5: Year Constructed**
- #6: Proposed Rent**
- #7: Security Deposit Amount**
- #8: Date Unit Available for Inspection**

## RTA Continued.....

**#9: Type of House / Apartment**

**#10: If unit is subsidized, indicate type of subsidy (if applicable)**

**#11: Utilities and Appliance**

Provided by and Paid by (“O” for Owner, “T” for Tenant)

**#12: Owners with more than 4 units must complete this section.**

Provide most recently leased comparable unassisted units within the premises.

**The federal regulations state that when determining whether a unit qualifies, we must look at the gross rent of the unit.**

What this means is your contract rent + the utilities from our utility schedule cannot exceed our payment standard. If it does, it may not exceed 40% of the tenant’s adjusted gross income.



## EXAMPLE OF UTILITY ALLOWANCE:

SINGLE-FAMILY (HOUSE)						UTILITY	\$ ALLOWANCE	
<b>HEATING</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>5BR</b>	HEATING	\$	<b>48</b>
NATURAL GAS	36	<b>48</b>	61	77	89	COOKING	\$	<b>5</b>
BOTTLE GAS	56	77	103	133	155	WATER HEATING	\$	<b>15</b>
OIL	57	78	104	134	157	OTHER ELECTRIC	\$	<b>30</b>
ELECTRIC	49	68	90	116	136	WATER	\$	<b>15</b>
<b>COOKING</b>						SEWER	\$	<b>15</b>
NATURAL GAS	3	4	6	7	9	GARBAGE	\$	<b>0</b>
ELECTRIC	4	<b>5</b>	7	9	11	AIR CONDITIONING	\$	<b>4</b>
BOTTLE GAS	6	8	11	14	16	OTHER (SPECIFY)	\$	<b>0</b>
OIL	0	0	0	0	0			
<b>WATER HEATING</b>						TOTAL	\$	<b>132</b>
NATURAL GAS	11	<b>15</b>	20	25	30			
ELECTRIC	17	24	32	41	48	UTILITY ALLOWANCE	\$	<b>132</b>
BOTTLE GAS	16	22	30	38	45	RENT	\$	<b>500</b>
OIL	0	0	0	0	0	GROSS RENT	\$	<b>632</b>
<b>OTHER EL</b>	26	<b>30</b>	35	42	46			
<b>WATER</b>	14	<b>15</b>	19	21	24			
<b>SEWER</b>	13	<b>15</b>	18	21	23			
<b>GARBAGE</b>	0	0	0	0	0			
<b>AIR COND</b>	3	<b>4</b>	5	7	8			

# SO MY UNIT QUALIFIES THEN WHAT?

## A HOUSING QUALITY STANDARD (HQS) INSPECTION WILL BE SCHEDULED

The inspection is to ensure the unit is in a decent, safe, and sanitary condition. The unit must meet HUD Housing Quality Standards. (HQS)

- Units are inspected and must pass the HQS inspection prior to the subsidy beginning.

**REMEMBER..... Subsidy starts the day the unit passes inspection or the day the tenant moves in whichever is later.**

## HQS INSPECTIONS CONT.

### The most common failed items are:

- Hot water tanks must have a temperature and pressure relief valve and discharge line which extends within 6" from the floor.
  - Mobile Homes: the discharge lines must extend through the floor.
- There must be a working smoke detector on each level of the home.
- A handrail is needed for stairways with more than four stairs.
- A guardrail is required around a porch or balcony which is approximately 30" or more above the ground.
- Locks are required on windows and doors accessible from the outside.
- Windows that were meant to open must be operable.
- Electrical outlets need to be wired properly. When tested, we find many outlets with the hot and neutral wires reversed

## HQS INSPECTIONS CONT....

- Receptacle covers are required on electrical outlets and light switches.
- Units built before 1978 may have the possibility of lead based paint. To prevent the possibility of lead poisoning in children, area of cracked, chipped or peeling paint must be scraped and repainted with non-lead based paint.

All failed items that are not considered hazardous must be corrected within 30 days and the landlord must certify when all items are repaired. (HA may request pictures, statement of work being completed or other verification). Once signed, return certification to the Housing Authority.

## HQS INSPECTIONS CONT...

- If items are not corrected within 30 days, the Housing Assistance Payment will be abated.
- All failed items that are determined hazardous must be corrected within 24 hours. (Such as; hot water tank, sewer drainage, broken windows, no heat in winter months, no water)  
(for hazardous deficiencies a re-inspection will be required to verify deficiency has been corrected)

Once the initial inspection has passed we will conduct an inspection on the unit either annually or biannually (this is new as of June 25, 2014). This depends on whether the unit passed the initial or last annual inspection without any failed items or inconclusive items. (MDOC still requires inspections to be done annually).

## THINGS TO REMEMBER!!

- Units must pass an inspection before a lease or contract is approved.
- No rental assistance can be paid on a unit prior to the inspection passing.
- Tenants who move in before the inspection passes will be responsible for the rent until the unit passes the inspection.
- Tenants are responsible for paying their own deposits.
- Tenants must make proper arrangements for utility connections prior to moving into the unit if the utilities are required to be in their name.
- Tenants pay 30% of their adjusted gross income, the HA pays the difference up to the payment standard.

## LANDLORD CERTIFICATIONS

- The landlord is the legal owner or the legally designated agent for the owner. We will require documentation of a contract if you are the agent for the owner.
- The tenant may not be related to the owner or landlord in anyway, for the unit they wish to rent.
- Leasing to family members must receive prior approval from the Housing Authority (*this is for a reasonable accommodations only*)
- Must comply with the contract to perform necessary maintenance to meet the Housing Quality Standards.
- Housing Authority is not responsible for any security deposit (Except for Permanent Supportive Housing)
- The tenant's portion of the monthly rent is collected from you the owner/landlord directly from the tenant.
- The Housing Authority will mail or direct deposit the Housing Assistance Payment (HAP) on the first business day of every month. We also initiate mid-month HAP runs on the 15<sup>th</sup> of each month for new lease ups or corrections.

## LANDLORD CERTIFICATIONS CONT.....

- Landlords are responsible for reporting in writing when an assisted unit becomes vacant. If your tenant moves out without notice you need to inform the HA right away. You will be paid for the remainder of that month only.
- The Housing Authority and HUD may release and exchange information regarding your participation in the HCV program and other Federal and State Agencies.
- Failure to comply with the terms and responsibilities of the Housing Assistance Contract is grounds for termination of participation in the HCV program.
- Supplying false, incomplete, or inaccurate information is punishable under Federal or State criminal law.



## THE LEASE.....

- Once the unit has passed the inspection, you must provide a copy of the lease and the rent listed on the lease must be the same as what is on the RTA.
- Your lease will be included with the HUD lease.
- Your lease must specify what utilities are to be provided or paid by the owner or the tenant.
- The HUD lease will supersede any portion of the landlord's lease that does not conform to HUD requirements.
- When you agree to lease to a Voucher holder you recognize that your lease will be for one (1) year from the date of contract signing.

## LEASE CONT...

- The voucher holder must live in the unit for 1 year unless the landlord releases them from their lease (mutual rescission) or for other good cause.
- After the first year the tenant will be on a month to month lease.
- After the first year, either the landlord or the tenant may give a 30 day notice without cause to terminate the contract. (always provide a copy to the housing authority)

### The Lease contains the following information:

- Name of individual(s) who are living at the rental address
- Address of rental unit
- Rent and deposit amounts
- Utilities
- Start date of lease

## LEASE CONT....

- The family is responsible for paying the owner the portion of the rent that is not covered by the HAP payment and only the amount that is listed on the payment verification provided by HHA or MDOC.
- Rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease and HAP contract.
- The owner must immediately return any excess rent payment to the tenant or to the Housing Authority in cases of overpayment.

## LEASE (CONT.)

- The Housing Authority is not responsible for any charges occurred by the tenant, ie. late fees, damages. Any outstanding charges owing to the landlord must be collected from the tenant.
- If the Housing Assistance Payment (HAP) is abated due to a failed HQS inspection not being corrected within 30 days, the landlord may not collect the abated HAP from the tenant.
- Landlords may not terminate a lease for any HAP payments not received. Please keep in contact with the HA.
- The landlord may terminate the lease if the tenant has not paid their portion of the rent. (Follow the Montana Tenant and Landlord Act)

## LEASE CONT...

- The owner may not require the tenant to pay charges for any meals, supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

## LEASE CONT...

### Security Deposit

- The Landlord may collect a security deposit from the tenant. Security deposit may not be in excess of the private market or amounts charged for unassisted tenants.
- When the family moves out, the landlord, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent, damages to the unit or any other amounts that the tenant owes under the lease.
- The landlord must give the tenant a list of all items charged against the security deposit, and the amount for each item. After deducting the amount, if any, used to reimburse the landlord, the landlord must promptly refund the full amount of the unused balance to the tenant.
- If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the landlord may collect the balance from the tenant.

# HAP CONTRACT

- The contract is an agreement between the landlord and the Housing Authority. Always ask for a copy of the completed contract.
- The contract will supersede any portion of the landlord's lease that does not conform to HUD requirements.
- The owner must maintain the contract unit and premises in accordance with the housing quality standards (HQS).
- The term of the HAP contract begins on the first day of the initial term of the lease after the unit has passed the HQS inspection or the day the tenant moves in whichever is later.



## HAP CONTRACT (CONT.)

- If the Housing Authority determines that the owner is not entitled to the HAP payment or any part of it, the Housing Authority, in addition to other remedies, may deduct the amount of the overpayment from any amounts due to the owner (including amounts due under any other Section 8 assisted contract).
- The landlord must provide a written 60 day notice when increasing the rent or making any contract changes after the first year of the contract.
- This notice must be in writing and will be given to the tenant and the Housing Authority. The Housing Authority must determine if the new rent amount is reasonable compared to non-assisted units.



## HAP CONTRACT CONT...

**Prohibition of Discrimination:** The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, sexual orientation or disability in connection with the HAP contract.

- The owner must cooperate with the Housing Authority and HUD in conducting equal opportunity compliance reviews and complaint investigations in connection with the HAP contract.
- The HAP contract must be signed by the Landlord and a Housing Authority representative.

## **“SPECIAL ARRANGEMENTS” OR “SIDE DEALS” BETWEEN LANDLORD & TENANT**

Any special arrangement or side deal is **NOT ALLOWED**

**Only Lease provisions that are agreed upon in the lease and approved by the HHA are allowed.**

*Examples of “Side Deals”:*

- Family paying the extra \$10 a month for rent (Landlord has tenant pay \$10 extra on the side because the “real” rent he wanted was more than what the HA allowed)
- Family paying more of the utilities than what is listed on the lease and HAP contract.
- Family “working off” part of the rent
- If tenant is required to pay utilities in the lease and contract, the utilities must be in their name (not the landlord) and paid directly to the utility company and not to the landlord

# TERMINATIONS....

## Termination of Tenancy by Owner-

**Owners may only terminate the tenancy in accordance with the lease and HUD requirements**

- **Grounds: During the term of the lease, the landlord may only terminate the tenancy because of:**
  - **Serious or repeated violations of the lease**
  - **Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises.**
  - **Drug related criminal activity or alcohol abuse**
  - **Other Good cause such as; disturbance of neighbors, destruction of property or living or housekeeping habits that cause damage to the unit or premises.**
  - **After the initial lease term, such good cause includes;**
  - **Tenant's failure to accept landlords offer of new lease or revision**
  - **Landlord desire to use the unit for personal or family use other than use as a residential rental unit**
  - **A business or economic reason such as sale of property, renovation of the unit, the owner's desire to rent the unit for a higher rent.**

## TERMINATIONS CONT....

### Housing Authority Termination of Assistance:

- The Housing Authority may terminate program assistance for any grounds authorized in accordance with HUD requirements. If the Housing Authority terminates program assistance for the family, the lease terminates automatically.

### Family Move Out:

- The tenant must notify the Housing Authority and landlord with a 30 day written notice after the first initial year.
- Housing assistance payments shall only be paid to the owner while the family is residing in the contract unit and while under contract.
- The PHA shall not pay a housing assistance payment to the owner for any month after the month when the family moves out.

## PROTECTIONS OF VICTIMS OF ABUSE: (VAWA)

- An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other “good cause” for termination of the assistance, tenancy, or occupancy rights of such a victim.
- Criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of domestic violence, dating violence, or stalking.
- Notwithstanding any restrictions on occupancy, or terminations of occupancy, a HA, landlord or manager may “bifurcate” a lease, or otherwise remove a household member from a lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others.

## NON-PAYMENT OF RENT AND NON-COMPLIANCE FROM TENANTS

We often get landlords calling us asking for assistance with non-compliance issues from tenants. Here are a few suggestions:

- Follow the Montana Residential Landlord and Tenant Act
- Send your tenants a notice of their non-compliance or failure to pay, if you do this always send the Housing Authority a copy.
- Keep in contact with the Housing Authority; we want to work with you to ensure that we are all following the federal regulations to reduce loss to you and our voucher holders.
- Know what your rights are.... follow the Montana Residential Landlord and Tenant Act (I know we said this twice, but it's important)

**ANY QUESTIONS?**