



**Housing Choice Voucher
Rental Assistance
Program**

LANDLORD HANDBOOK

Welcome to the Fort Walton Beach Housing Authority Housing Choice Voucher Program!

This packet contains information you will find helpful in understanding the Housing Choice Voucher (HCV) Rental Assistance program.

As a landlord, you will understand your role and responsibilities as a housing provider as well as learn about the responsibilities of your Housing Choice Voucher tenants.

In order to be successful in the program, there must be a good working relationship between the landlord, the tenant, and the housing authority.

Please, read the information carefully, and if you have any questions, contact a Housing Assistance Representative.

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OWNER/LANDLORD HANDBOOK

A. PROGRAM INFORMATION

The Housing Choice Voucher program is a free-choice approach to assisted housing. The family may choose to rent anywhere in the private rental market, as long as it meets certain requirements for eligible housing types, rent limits, rent reasonableness and Housing Quality Standards (HQS). The landlord retains private property rights, including management, tenant selection, and maintenance. Once an individual or family receives a voucher, they will have 60 days to select suitable housing that meets their particular needs.

After a voucher holder locates a suitable apartment or house, Fort Walton Beach Housing Authority (FWBHA) will inspect it to be sure it is decent, safe, and sanitary. FWBHA will determine if the rent is reasonable and within the amount allowed by HUD. The individual or family will then sign a lease with the landlord. The landlord will sign a Housing Assistance Payment contract (HAP) with FWBHA, which states the amount due the landlord from the tenant and the subsidy amount due from FWBHA.

The U.S. Department of Housing and Urban Development (HUD) determines the rules and regulations for the Housing Choice Voucher Program, and provides the funding. FWBHA strictly enforces HUD program rules and regulations.

The Housing Choice Voucher program provides a rental payment subsidy on behalf of an eligible client. The client (tenant) is responsible for the tenant portion of the rent. MHA pays the subsidy amount directly to the landlord. The landlord/owner has certain responsibilities, which are established through federal program regulation. This handbook will help you to understand your rights and responsibilities as an owner of a Housing Choice Voucher property.

The Fort Walton Beach Housing Authority Housing Choice Voucher program complies with all Equal Opportunity requirements. FWBHA is in conformity with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act.

B. OWNER INFORMATION

1. BECOMING A HOUSING CHOICE VOUCHER LANDLORD

The process is simple! Become familiar with your responsibilities under the program. They are listed in this information packet.

2. RENTING YOUR UNIT TO HOUSING CHOICE VOUCHER CLIENTS

List your unit the same as you would to rent it in the private market. FWBHA also maintains an available rental list in the administrative office. All you need to do is contact the front desk receptionist with your unit information, and it will be added to the list.

3. TENANT VOUCHER USE

When a HCV participant becomes eligible for assistance through the program, a voucher is given. The voucher will state the name of the eligible person, unit size qualified for, issue date, and expiration date. When a HCV participant contacts you to rent your unit, ask to see the voucher and check the expiration date. If the date is current, you can continue the leasing process.

You must complete the Owner Payee Packet which includes the Request for Tenancy Approval, HUD form 52517. The prospective HCV tenant will have that packet. Complete the entire packet with the prospective tenant. Either you or the tenant will return the packet to the administrative office. This will generate an inspection and review for overall unit eligibility.

4. UNIT APPROVAL

Once the unit is approved, FWBHA will approve a HAP contract if **all** of the following conditions are met:

- ✓ The unit is eligible.
 - The following are NOT eligible types of housing:
 - Public housing
 - A unit receiving project-based assistance
 - Nursing homes, board or care facilities
 - College or school dormitories
 - Penal, reformatory, medical, mental or similar public or private institutions
 - Unit occupied by its owner or by a person with any interest in the unit.
(FWBHA may approve exceptions in order to provide reasonable accommodations to persons with disabilities. 24 CFR 982.601(3).)
- ✓ The unit is inspected by the HCV HQS Inspector and must pass the Housing Quality Standards Inspection;
- ✓ The HAP contract is approvable and includes the language of the tenancy addendum;
- ✓ The rent to owner is reasonable (determined by the housing authority);
- ✓ The family's share of rent does not exceed 40% of their monthly adjusted income;
- ✓ The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or FWBHA; and
- ✓ The family continues to meet all eligibility and screening criteria.

IMPORTANT NOTE! FWBHA will not pay any housing assistance to the owner until the unit passes inspection and the contract is signed.

5. THE HAP CONTRACT

A Housing Assistance Payment contract (HAP) is the agreement between FWBHA and the landlord. The landlord agrees to abide by the owner responsibilities as detailed in the HAP contract, and FWBHA agrees to pay a portion of rent in a timely manner.

FWBHA processes checks twice per month. Monthly rent checks are processed via direct deposit. If changes to the HAP amount are made after the end of the month check run and FWBHA owes additional rent to the landlord, the difference will be processed and deposited on or around the 15th of the month.

6. HQS INSPECTION PROCESS

Under federal regulations, FWBHA cannot pay housing assistance for any unit that has not passed a Housing Quality Standards inspection (HQS). FWBHA will schedule an appointment for the inspection within 15 days after the paperwork is turned into the administrative office. The 15-day period is suspended during any period the unit is unavailable for inspection.

A Housing Quality Standard Inspection (HQS) is an inspection process required for federally subsidized rental units. FWBHA is responsible for completing the inspection. HQS covers so much more than just inspections; Housing Quality Standards, or HQS, dictates acceptable criteria for key aspects of housing quality. They are:

- ✓ Sanitary facilities;
- ✓ Food preparation and refuse disposal;
- ✓ Space and security;
- ✓ Thermal environment;
- ✓ Illumination and electricity;
- ✓ Structure and materials;
- ✓ Interior air quality;
- ✓ Water supply;
- ✓ Lead-based paint;
- ✓ Access;
- ✓ Site and neighborhood;
- ✓ Sanitary condition;
- ✓ Smoke detectors & Carbon Monoxide detector
- ✓ All windows must have screens

FWBHA will inspect all units to ensure they meet Housing Quality Standards (HQS). No unit will be placed on the HCV program unless HQS are met. Units will be inspected every 10 months, and at other times as needed, to determine if the unit continues to meet HQS.

FWBHA must be allowed to inspect the unit at reasonable times with reasonable notice. The family and owner will be notified of the annual inspection appointment by mail and/or email.

For the initial inspection prior to move-in, the owner must make the unit accessible to the tenant. The head of household must be present for the initial inspection. However, we do recommend both the landlord and head of household attend with the inspector to understand any pass/fail items.

For all types of inspections (housekeeping, annual recertification, special inspections), the head of household must be at home for the scheduled inspection appointment.

The FWBHA inspector will not enter the unit if the only member of the household present is under 18 years of age. Failure to comply with HQS requirements is considered a lease violation and assistance can be terminated.

If the family misses the scheduled inspection, FWBHA will only reschedule once. If two inspections are missed, FWBHA will consider the family to have violated their signed Family Obligations Agreement, and their assistance may be terminated.

REMEMBER! Without a passing HQS inspection, FWBHA will not send the HAP payment!

7. ANNUAL HQS INSPECTION

Every unit subsidized under the Housing Choice Voucher program will be subject to an annual inspection. At that time, the unit will undergo a thorough inspection based on HUD standards. The tenant and landlord will be notified of the results. Items requiring repair or replacement can be either the responsibility of the tenant or the landlord.

If failure to maintain HQS obligations causes a life-threatening situation, the responsible party (tenant or landlord) must correct the defect within no more than 24 hours. For other defects, the responsible party must correct the defect within no more than 30 calendar days. MHA will not make any housing assistance payments for a dwelling unit that fails to meet the HQS.

If the family has caused a violation of the HQS, MHA will take prompt and vigorous action to enforce the family obligations. MHA may terminate assistance for the family in accordance with 24 CFR 982.552.

If the owner fails to maintain the dwelling unit in accordance with HQS, MHA will take prompt and vigorous action to enforce the owner obligations. MHA remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments, and termination of the HAP contract.

8. ABATEMENT OF HAP AMOUNT

Abatement of HAP amount means that a hold is placed on the FWBHA portion of the rent. An abatement occurs because the owner was notified by mail that the inspection found items needing certain repairs, and those repairs were not made by the date specified on the notice. If an abatement occurs, the owner/agent receives a letter from FWBHA stating the repairs for which the landlord/owner were responsible have not been completed. The letter states FWBHA will stop paying from the first of the following month until repairs have been completed. Abatement lasts no more than 14 days. The owner never recovers this money from FWBHA, nor can it be charged to the resident. FWBHA cannot pay on a unit that does not meet Housing Quality Standards (HQS).

9. BACKGROUND CHECKS ON PROSPECTIVE TENANTS (SCREENING)

FWBHA requires all adult family members who are at least 18 years of age, and each family head and spouse, regardless of age, to sign HUD Form 9886, *Authorization for Release of Information and Privacy Act Notice*. The *Authorization for Release of Information and Privacy Act Notice* states how family information will be released and includes the *Federal Privacy Act Statement*.

FWBHA performs the following checks prior to determining eligibility for the program:

- ✓ Income eligibility
- ✓ Money owed to other housing authorities
- ✓ Previous program participation
- ✓ Criminal background check
- ✓ Sex offender status

FWBHA does not certify the tenant's suitability. We strongly encourage landlords to check tenant references. Additional screening is the responsibility of the owner and is allowed as long as the screening is the same as you would do with any non-subsidized tenant.

Upon the request of a prospective landlord, FWBHA will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity, or any violent criminal activity. (24 CFR §982.307)

10. SECURITY DEPOSITS

Owners may establish any security deposit deemed appropriate. The total security deposit must meet all of the following requirements:

- ✓ May not exceed the amount legally allowed according to state or local law;
- ✓ May not be higher than what you charge for similar, non-assisted units; and
- ✓ Cannot be applied in a discriminatory manner.

11. CHANGE OF MAILING ADDRESS

Send a written request to the FWBHA with the following information:

- ✓ Owner name
- ✓ Previous address
- ✓ New address
- ✓ New phone number
- ✓ Social security number (or Employer Tax ID number)
- ✓ Signature of owner

12. CHANGE IN OWNERSHIP OR NEW OWNERS

The new owner will need to send a written request accompanied by a copy of the escrow statement or other document showing the transfer of title. Provide Tax ID or Social, Address, Phone number and email address.

13. FORECLOSURES

In May, 2009, President Obama signed into law the Protecting Tenants at Foreclosure Act of 2009 (PTFA) (S.896, P.L. 111-22). The objective of these new protections is to ensure that tenants receive appropriate notice of foreclosure and are not abruptly displaced. This new federal law requires that a tenant under any bona fide tenancy or bona fide lease entered into before the notice of foreclosure has the right to occupy the premises until the end of the remaining term of the lease.

The only exception to preserving the remaining term of the lease is for a purchaser who will occupy the unit as a primary residence. In this situation:

- ✓ The foreclosed owner of a home cannot force a HCV family to vacate the property prior to a sale of the property.
- ✓ The new owner may terminate the tenancy effective on the date of the transfer to the owner if the owner:
 - Will occupy the unit as a primary residence; and
 - Has provided the tenant with a notice to vacate at least 90 days before the effective date of such notice.

14. MANAGEMENT CHANGE

Send a written request to FWBHA accompanied by a copy of a document authorizing the new management company.

15. OWNER AND PAYEE W-9 REQUIREMENT

FWBHA is required by the IRS to have on file a W-9 for every vendor receiving funds from FWBHA for 1099 reporting purposes. The W-9 needs to be completed accurately.

The payee always needs a W-9 completed for 1099 reporting purposes. If the owner is not the payee, we need the owner information on file in case there is a change in payee. If there is not a W-9 on file with MHA, FWBHA will not pay the HAP to the landlord.

16. REASONABLE RENT

The rent amount charged must be reasonable. It cannot be any more than would be charged to a non-subsidized renter. FWBHA will not approve an initial rent or a rent increase without determining that the rent amount is reasonable.

Reasonableness is determined prior to the initial lease and at the following times:

- ✓ Before any increase in rent to owner is approved;
- ✓ If 60 days before the contract anniversary date there is a 5% increase in the published FMR as compared to the previous FMR; and
- ✓ If FWBHA or HUD directs that reasonableness be re-determined.

In making a rent reasonableness determination, FWBHA will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. FWBHA will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the Housing Choice Voucher unit and the comparable units.

Owners may review the determination made on their unit and may submit additional information or make improvements to the unit that will enable FWBHA to establish a higher value.

The owner must certify the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for other comparable unassisted units.

17. CHANGE TO TTP AMOUNT

Total Tenant Payment amounts may change throughout the lease period if the tenant has submitted a change packet noting a change in family composition or income amount. The only effect this will have on the landlord is that the payment amounts from the tenant to the landlord and from MHA to the landlord will change.

If the new decreased TTP is delayed beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed (Retroactively).

If the new TTP is delayed due to the family (i.e., family did not report the change in a timely manner),

the change will be effective the first of the month after the TTP amount is determined. Reductions in TTP are not retroactive if the delay is family-caused.

18. RENT INCREASES

You cannot request a rent increase to be effective during the first year of the lease. After the first full year of the lease, you can request an increase in rent, annually, with a 60-day notice to both the tenant and FWBHA. All rent increases must be approved by FWBHA in order for the HAP contract to be renewed. FWBHA will review the increase for reasonableness based on the Fair Market Rent for the unit. If the rent increase request cannot be approved for any reason, FWBHA will notify you of the reason along with the date the family would be eligible for a rent increase.

19. UTILITY ALLOWANCES

As of February 2016 FWBHA started using the DL Morgan & Assoc. to annually review and revise our utility schedules. This does not include telephone, cable television, satellite, or internet services.

The utility allowance is subtracted from the Total Tenant Payment (TTP) to determine the family's portion of rent. If the family portion is a negative amount then the family qualifies for a Utility Reimbursement from our agency which is paid directly to either the electric or gas company on their behalf and our agency in turn should be paying 100% of the contract rent. If the family portion is positive then the family will be responsible for a portion of contract rent between 30%-40% of their monthly adjusted income and FWBHA will pay the remaining amount.

The utility allowance schedule is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, DL Morgan & Assoc. conducts surveys of consumption for the community as a whole, as well as current utility rates for the area.

DL Morgan & Assoc. reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. FWBHA maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Current utility schedules are available at the FWBHA office.

At each annual reexamination, FWBHA applies the utility allowance from the most current utility allowance schedule.

20. TERMINATING THE HAP CONTRACT OR TENANT LEASE

The term of the lease and the term of the HAP contract are the same. They begin on the same date, and they end on the same date. The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The owner may only terminate the HAP contract by terminating the lease. The HAP contract may be terminated by the FWBHA. Under some circumstances, the contract automatically terminates.

❖ Termination of the lease -

➤ By the Family

- The family may terminate the lease without cause upon proper notice to the owner and to FWBHA after the first year of the lease. The length of the notice required should be stated in the lease (generally 30 days).

➤ By the Owner

- The owner may terminate the lease during its term on the following grounds:
 - ◆ Serious or repeated violations of the terms or conditions of the lease;
 - ◆ Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
 - ◆ Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;
 - ◆ Any drug-related criminal activity on or near the premises;
 - ◆ Other good cause. Other good cause may include, but is not limited to:
 - Failure by the family to accept the offer of a new lease;
 - Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
 - The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
 - A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
- During the first year, the owner may not terminate tenancy for other good cause unless the reason is because of something the family did or failed to do.
- The owner may only evict the tenant by instituting court action. The owner must give FWBHA a copy of any eviction notice given to the tenant.

- The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.

IMPORTANT! Owners/Landlords/Managers, please be aware of your responsibilities under the Violence Against Women Act. If the violence or disturbance by the family is caused by domestic violence, dating violence, or stalking, your rights to evict may be restricted.

❖ Termination of the Lease by mutual agreement-

- The family and the owner may at any time mutually agree to terminate the lease. This will not cause the family to lose its subsidy.

❖ Termination of the Contract-

➤ Automatic termination of the Contract:

- If FWBHA terminates assistance to the family, the contract terminates automatically.
- If the family moves out of the unit (including abandonment), the contract terminates automatically.
- The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

➤ Termination of the contract by the owner:

- The owner may only terminate tenancy in accordance with lease and State and local law.

➤ Termination of the HAP contract by FWBHA:

- MHA has terminated assistance to the family;
- The unit does not meet HQS space standards because of an increase in family size or change in family composition;
- When the family breaks up and MHA determines that the family members who move from the unit will continue to receive the assistance;
- MHA determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program;
- The owner has breached the contract in any of the following ways:
 - ◆ If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS;
 - ◆ If the owner has violated any obligation under any other housing assistance payments contract under the HCV program;
 - ◆ If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;

- ◆ For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
- ◆ If the owner has engaged in drug trafficking.

Final HAP payment to owner

- The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, FWBHA will continue to make payments until the owner obtains a judgment or the family moves out.

FRAUD IN THE PROGRAM

The Housing Choice Voucher program is federally funded and therefore program requirements must be met, regulations followed, and government funds properly utilized. Incidences of fraud, willful misrepresentation, or intent to deceive with regard to the Housing Choice Voucher program are criminal acts and will be prosecuted to the fullest extent of the law.

C. OWNER RESPONSIBILITIES

As an owner, landlord, or manager of a rental unit, you have very specific obligations and responsibilities if you choose to rent to a HCV client. Failure to abide by these responsibilities may cause MHA to terminate the HAP contract.

- ✓ Perform all management and rental functions for the assisted unit, including screening and selection of tenants.
- ✓ Maintain the unit in accordance with Housing Quality Standards (HQS), including performance of maintenance.
 - If the owner fails to maintain the dwelling unit in accordance with HQS, FWBHA will take prompt and vigorous action to enforce the owner obligations. FWBHA's remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.
 - The FWBHA will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by FWBHA and FWBHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any FWBHA approved extension).
- ✓ Provide information to the family on the status of lead-based paint in the unit.
- ✓ Collect from the renter the security deposit, tenant portion of the rent, and any charges

- for damages to the unit.
- ✓ Comply with equal opportunity and fair housing requirements.
- ✓ Prepare information required under the HAP contract and furnish the information to FWBHA.
- ✓ Initiate the lease agreement with the participant.
- ✓ Enforce the tenant obligations under the lease.
- ✓ Pay for utilities and services agreed upon in the lease.
- ✓ May not collect side payments from HCV renters or charge more than approved by FWBHA.
- ✓ Responsible for provisions or modifications to the unit as reasonable accommodations.
- ✓ Notify FWBHA of any change in ownership.

D. FWBHA RESPONSIBILITIES

The Housing Choice Voucher Program is a three-way relationship. The participant and owner have certain responsibilities, as does the housing authority. FWBHA will do the following to ensure the HCV program is administered lawfully and successfully:

- ✓ FWBHA will comply with the consolidated ACC (HUD funding contract), the application, HUD regulations and other requirements, and the FWBHAHCV Administrative Plan.
 - In administering the program, FWBHA must:
 - Publish and disseminate information about the availability and nature of housing assistance under the program;
 - Explain the program to owners and families;
 - Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
 - Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
 - Affirmatively further fair housing goals and comply with equal opportunity requirements;
 - Make efforts to help disabled persons find satisfactory housing;
 - Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
 - Determine who can live in the assisted unit at admission and during the family's participation in the program;
 - Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
 - Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;

- Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
- Determine the amount of the housing assistance payment for a family;
- Determine the maximum rent to the owner and whether the rent is reasonable;
- Make timely housing assistance payments to an owner in accordance with the HAP contract;

- Examine family income, size, and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
- Establish and adjust FWBHA utility allowance;
- Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by the MHA, if the owner defaults (e.g., HQS violation);
- Determine whether to terminate assistance to a participant family for violation of family obligations;
- Conduct informal reviews of certain FWBHA decisions concerning applicants for participation in the program;
- Conduct informal hearings on certain FWBHA decisions concerning participant families;
- Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
- Administer an FSS program.