

## OWNER/LANDLORD BRIEFING PACKET

### HOUSING CHOICE VOUCHER PROGRAM

We are pleased to inform you of a housing program which may be of interest to you. Through the rental Housing Choice Voucher Program, you may be able to lease your rental property to a household and collect part of the rent from this program. The program's portion of the rent is sent directly to you each month.

#### The Housing Choice Voucher Program

The Housing Choice Voucher Program derives its name from Section 8 of Title II of the Housing and Community Development Act of 1974. The U.S. Department of Housing and Urban Development provides funds for the program via the local Housing Agency. If you are a rental property owner, you should know about this rental assistance program. Without your cooperation, the program would never succeed.

You may participate in the Voucher Program if:

1. A program participant wants to rent a unit from you; and
2. The program participant or their household members are not related to you; and
3. Your rent for the unit is reasonable and falls within the rental limits set for the household;
4. Your unit qualifies for the program according to the Housing Qualities Standards (HQS) inspection. (See Page 2 for specifics.)

#### The Tenant

Voucher program participants generally find housing on their own. Your first experience with the program will probably come from one of your current tenants or a new rental prospect. A program participant will have already been interviewed for our program to make sure she/he qualifies for rental assistance. Feel free to ask them to show their voucher to verify their participation.

Horizon Management Group DOES NOT screen program participants to determine tenancy suitability. We strongly encourage all owners to screen families based on their past rental history. We may provide you with the name and addresses of current and past landlords. Owners/Landlords may approve or disapprove applicants who are program participants using the same criteria as any other applicant. Background checks might include:

1. History of rent and utility payments;
2. History of caring for a unit and premises;
3. History of respecting the rights of neighbors and the peaceful enjoyment of their housing.
4. History of drug related criminal activity or other criminal activity that is a threat to life, safety or property; and
5. History of compliance with other essential conditions of tenancy.

**NOTE:** *Local, state and federal Fair Housing laws prohibit discrimination in housing based on race, color, religion, sex, and familial status. In addition, state law includes ancestry, age handicap, marital status, lawful source of income and sexual orientation. Federal law prohibits discrimination based on children in the household.*

## LEASING REQUIREMENTS

### Lease

Program participants are required to enter into a **one-year initial lease** with their landlord. The choice of lease format is up to each landlord. We provide a standard Wisconsin lease form for those landlords who choose to use it. All leases must minimally include the following:

1. Tenant's name;
2. Landlord's name and mailing address;
3. Address of the rental unit;
4. Lease term (must be at least ONE year);
5. Rental rate per month showing inclusion and exclusions (who pays for utilities, parking, pets, etc...); and
6. Signatures of both tenant and landlord/agent with the date of

signature.

### Tenancy Addendum

HUD requires a verbatim Tenancy Addendum (HUD form 52641A) be attached to the lease. This addendum explains the Voucher Program and provides for certain restrictions. The voucher holder has a copy of the Addendum or one can be requested from our office. All leases must include or attach the Addendum word for word. The addendum is a part of the contract we sign with the landlord. A simple statement written into the lease stating that HUD form 52641A is an attachment to the lease is acceptable.

HUD/WHEDA/Horizon Management Group, Inc. **are not** parties to the lease or tenancy addendum. These documents are contracts between the tenant and the property owner; however, Housing Choice Voucher Program requires that we keep a copy of your lease(s) for our files.

### Request for Tenancy Approval

Program requirements call for completion of a Request for Tenancy Approval (RTA). This form is supplied to the program participant and becomes part of the leasing packet. The "RTA" must be fully completed by the program participant and the landlord/agent. It will advise us of the requested rent, security deposit amount, the proposed amount of rent and detailed information concerning the rental unit's utilities. The back of the RTA addresses the rent for comparable units and lead based paint. It also reminds the landlord that it is the landlord's responsibility to screen their prospective tenants.

## HOUSING QUALITIES STANDARDS

As mentioned earlier, all rental units occupied by program participants must pass a Housing Qualities Standards inspection. Our Field Managers must perform a physical inspection of the prospective rental unit. All units must meet the MINIMUM program requirement set forth by HUD. (An attachment lists the most common deficiencies.)

We try to schedule inspections with reasonable notice and request that the program participant and the landlord be present at the inspection. Each inspection takes approximately 30 minutes.

If the unit **fails** the inspection, the participant and landlord are advised of the fail items and given thirty (30) days to correct the failed items. Either party may correct the deficiencies. If the failed items are not corrected within the time allowed, the lease and tenancy addendum can be considered null and void. The participant is allowed to move or pay the full rent for the unit. If the items are repaired, either/both parties should contact the Field Manager to arrange for a reinspection.

If the unit **passes**, we will notify both parties and proceed with final paperwork.

### **HOUSING ASSISTANCE PAYMENTS CONTRACTS**

Once the leasing documentation has been received and the prospective rental unit has passed inspection, we will provide a Housing Assistance Payments (HAP) Contract to the owner, on behalf of the program participant. This contract is an agreement between the Owner and WHEDA/Horizon Management. Key provisions in this contract include:

1. Only those people listed on the HAP Contract are allowed to live in the rental unit;
2. You may collect a full security deposit from the tenant;
3. Termination of tenancy may occur in accordance with the lease and state law; and
4. Should your tenant move out mid-month, you may keep the full month's assistance payment.
5. It is the landlord's responsibility to notify Horizon Management when a participant moves from their rental unit.

Of course, the BIGGEST advantage of the Housing Choice Voucher Program is getting a portion of the rent guaranteed and being able to keep a desirable tenant who could not afford to continue renting without our assistance.

The term of the HAP Contract and the lease must be the same, beginning on the day of the month the family moves in and ending 12 months later. For mid-month move ins, a lease of slightly less than 12 months is acceptable. An owner has up to sixty (60) days from the beginning of the lease term to sign the contract. If it remains unsigned after sixty (60) days, the contract and lease become null and void, with no subsidy being paid.

During the term of the lease and contract, the amount of housing assistance may change due to household circumstances. Both program participant and landlord will be advised of any changes, in writing.

### Rent Payments

Under the Housing Choice Voucher Program, we assist tenants in paying their rent. We rarely pay the entire rent and we do not collect any rent. Program participants are usually obligated to pay 30%, but not more than 40%, of their income as their portion of the rent (including utilities). The program pays the difference between the total rent and the tenant payment. You will receive two rent payments each month if you are a participant landlord. Program participants are advised that there is a maximum amount of gross rent affordable under the program. The maximum is based upon household income.

#### Recertifications

Approximately 90 days prior to the expiration date of the lease, you should contact your tenant to negotiate the rental terms and rent for the upcoming year. Any increase in rent must be given with a 60 day written notice to Horizon Management and the tenant. We will also begin our recertification process within this time frame. An annual HQS inspection must be performed to ensure the unit is still in satisfactory condition.

#### **TERMINATION OF TENANCY**

A landlord may terminate tenancy of any tenant in accordance with state and local law. Basis of termination may include:

1. Serious or repeated violations of the terms of the lease;
2. Violations of federal, state, or local law, which impose obligations on a tenant in connection with the occupancy or use of a dwelling unit and surrounding premises;
3. Other good cause as defined in the lease, however, during the first year of the term of the lease the owner may not terminate tenancy for "other good cause" unless termination is based on malfeasance or nonfeasance of the family; and
4. With proper notice at the end of a lease term.

The landlord/agent must notify Horizon Management Group, in writing, of the commencement of procedures for termination of tenancy at the same time that the landlord/agent gives notice to the tenant. Notice to Horizon Management may be accomplished by furnishing a copy of the notice given to the tenant.

#### Termination from Program

A voucher holder's participation in the program can be terminated for various reasons. They include, but are not limited to:

1. Failure to adhere to the Obligations of the Voucher Family as written on the Voucher;
2. Criminal Activity;
3. Failure to return documents to Horizon Management;
4. Absence from the unit for more than 120 days in a year; and
5. Fraud.
6. Allowing unauthorized people to live in the unit.

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