



**HOUSING AUTHORITIES OF THE
CITY OF WASHBURN & COUNTY OF BAYFIELD**



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SECTION 8 HOUSING CHOICE VOUCHER BRIEFING PACKET FOR LANDLORD



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SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

GUIDE TO OWNERS

Bayfield County and City of Washburn Housing Authorities are pleased to inform you of the **Section 8 Housing Choice Voucher Program**, a housing program that you, as a rental property owner, should be aware of. We've developed this guide to help you understand the Section 8 Program and the benefits it brings to our community.

WHAT IS THE SECTION 8 PROGRAM?

The Section 8 Housing Choice Voucher Program is a federal program funded by the Department of Housing and Urban Development (HUD) to assist individuals and families on a limited income to afford a private housing unit. The amount of rent that the family pays is based on their income; the Section 8 Program generally pays the difference. This guide will focus on the Section 8 Program and how it affects you as an owner.

BENEFITS TO OWNERS

Rental property owners in Bayfield County should know about the Section 8 Program so that they can determine if they'd like to rent to a Section 8 recipient. The Program is designed to benefit owners as well as tenants. The benefits to you as an owner include:

- Ease of rent collection from financially burdened tenants
- Housing Assistance Payments (HAP) guaranteed during the term of the HAP Contract
- Ability to retain good tenants who experience a loss of income
- Biennial inspections of your property, helping you to know which repairs are most urgent
- Investment in communities where low income families have an opportunity to better their lives for themselves and their families

HOW DOES SECTION 8 WORK?

The tenants we assist are free to look for housing anywhere they choose in Bayfield County. Many of the tenants we assist, in fact, want to remain living in their present units and the Section 8 Program enables them to keep up with their rent payments. Bayfield County Housing Authority mails to you directly the Housing Assistance Payment for which the tenant is eligible. The tenant pays their portion of the rent to you, as well.

Several steps need to be completed before the Housing Assistance Payments can begin. They include the following:

✓ **Step One – Application Process**

- The tenant needs to submit to the HOUSING AUTHORITY (HA) a preliminary application for the Section 8 Program.
- HOUSING AUTHORITY conducts a criminal background check to ensure the client hasn't committed any violent or drug related criminal acts in the past 3 years. Applicants listed on the State Lifetime Sexual Offenders Registry are not eligible. Applicants convicted of manufacture or production of methamphetamine at an assisted housing project are not eligible. Applicants that do not meet the income eligibility criteria for a family of that size.
- The applicant's name is placed on the Section 8 Waiting List based on the time and date the application was received. The length of the waiting list depends on the number of applicants.

✓ **Step Two – Initial Interview**

- When the applicant's name comes to the top of the waiting list, he/she is invited to an interview that may also include a group briefing. The Certified Occupancy Specialist (COS) will give the

applicant(s) an overview of the Section 8 Program. The interview helps the COS determine if the family is eligible. If they appear to be eligible, they are issued a voucher, which reserves their funding for up to 60 days, allowing the family time to find a housing unit to rent.

✓ **Step Three – Income Verification**

- The COS works on verifying the client's income, assets and deductions by sending requests to be completed by banks, employers, child support agencies, Social Security, or wherever the family has any assets, income or allowable deductions (such as child care or medical expenses).
- If the family experiences any changes in their income or household composition while we are processing their case, they must inform their COS immediately, who then needs to verify these changes.

✓ **Step Four – Finding a Rental Unit**

- After the family is issued a voucher they can begin looking for a rental unit, if they do not yet have one.
- When the family has selected a rental unit, they will give the Request for Tenancy Approval (RTA) form to the landlord to complete, then return it to HOUSING AUTHORITY. The COS will then enter the data from the RTA and check to make sure that the rent amount is within the Program guideline. Clients are not allowed to pay more than 40% of their gross monthly adjusted income toward rent for their maximum initial rent burden, as this would no longer be considered an "affordable" housing unit.

✓ **Step Five – The Housing Evaluation**

- The COS will then schedule an inspection for the rental unit. Generally, inspections are scheduled within 3 weeks from the date of receiving the RTA. Four out of five units pass inspections the first time.
- If the unit does not pass the Housing Quality Standards (HQS), you and the tenant will be notified in writing of the required repairs. The landlord must call the Housing Authority to request a re-inspection appointment. **Re-inspections are not automatically scheduled by HOUSING AUTHORITY.**

✓ **Step Six – Lease and HAP Contract**

- Once the unit has passed the inspection and all verification has been returned, the COS will draw up the Housing Assistance Payment (HAP) Contract for the landlord to sign.
- The signed Contract, along with a copy of a one year lease, which may be signed at anytime during this process, must be returned to HOUSING AUTHORITY before Housing Assistance Payments (HAP) can be authorized. The lease term and the HAP Contract dates must match. All leases must begin on the first day of the month. After the HAP Payments have been authorized, we will automatically mail you a check for the HAP Payment at the beginning of each month. **IMPORTANT: HOUSING AUTHORITY prints HAP checks only once a month.**

HOW AN OWNER PARTICIPATES IN THE SECTION 8 PROGRAM

You can participate in the Section 8 Rental Assistance Program if:

- ◆ If an eligible tenant wants to rent a unit from you AND
- ◆ Your unit qualifies for the Program.

A tenant who calls you may have already been interviewed by our COS to determine if he/she qualifies for rental assistance, or may be looking for a rental unit even before he/she has been selected from the waiting list. In either case, you should collect the full amount of rent from the tenant until you've received written notification from HOUSING AUTHORITY that their Housing Assistance Payments have been authorized.

YOU PICK YOUR TENANTS: It's important for you to understand that you have the option to accept or decline an applicant for your rental unit who will receive Section 8 assistance. We do not screen the family's behavior or suitability for tenancy. Such screening is the owner's responsibility. The Housing Authority only screens tenants to see if they are financially eligible and to ensure that they have not committed any violent or drug related criminal acts in the past three years. We strongly encourage you to carefully screen all tenants, including Section 8 recipients. In fact, if the prospective tenant had been receiving Section 8 assistance in their previous rental unit, you have the option to call us to inquire of factual information we have regarding this client. We will gladly share with you any information we are permitted to by law.

QUALIFYING YOUR UNIT

If the tenant is interested in renting your unit under the Section 8 Program and you would like to lease it to him/her, you should make sure your unit qualifies for the Program. The unit must be:

- ◆ Decent, safe and sanitary, with everything in good working order
- ◆ Rented at a reasonable rate
- ◆ Large enough for the tenant

As long as your unit is in good shape and rents at a reasonable rate, you should have little trouble leasing it under the Section 8 Program. The factors we use to determine reasonableness of rent include location, condition, amenities and utilities. The purpose of determining "rent reasonable"; as we're sure you understand, is to ensure that the Section 8 Program is not using taxpayers' dollars to subsidize either blighted or luxury housing.

To fully qualify your unit for the Section 8 Program and to ensure that Housing Quality Standards are met, our COS will conduct an inspection of your unit. Our evaluations take about 30 minutes. If your unit passes inspection, we will notify you and your tenant, and we will proceed to make final arrangements for authorization. If we find that repairs should be made before your unit can qualify for the Section 8 Rental Assistance Program, we will give you and your tenant a list of the repairs that are needed and will re-inspect your unit if you've notified us that the repairs have been completed. NOTE: Please understand that we are not able to "pre-qualify" a landlord's unit in advance of a Request for Tenancy Approval (RTA) form completed by the landlord and signed by the Head of Household.

IMPORTANT NOTE: Landlord must collect full rent from the tenant until an authorization letter is sent and the landlord has received the first HAP payment. HOUSING AUTHORITY is not responsible for rent owed to a landlord prior to authorization date.

PAPERWORK FOR SECTION 8

Any business contract will require extra paperwork, but the benefits of the Section 8 Program greatly outweigh any inconvenience caused by paperwork. We do our best to keep the amount of paperwork required by the landlord to a minimum. There are only 3 forms that are needed from you:

Form 1: Request for Tenancy Approval and W-9 Tax Certificate

The first form you will complete is the Request for Tenancy Approval (RTA), along with the attached W-9 Tax Certificate and Lead Paint Disclosure. The RTA form lets us know the precise amount of rent you charge for your unit, the utilities included in that rent as well as how they are fueled, the unit's occupancy date, and comparable rent for similar non-assisted units. The RTA also reminds you

and the tenant that under the Section 8 Program the tenant cannot rent from an immediate relative, unless HOUSING AUTHORITY has determined that renting from a relative is needed as a reasonable accommodation for a household member who has a disability.

Form 2: Lease and Addendum

The Section 8 Program asks that you sign a one year lease with your tenant and provide a copy to HOUSING AUTHORITY. You will use your own lease, which must be a standard lease consistent with state and local laws. If you use a lease for other non-assisted tenants, you can use this same lease for Section 8 tenants. It does, however need to contain some minimum requirements, which include stating: ***the name of both parties, the unit address, the lease terms (beginning and ending dates), the amount of rent, specifications as to who pays for which utilities and who provides the stove and refrigerator.*** The first year needs to be a one year lease but after that point, you are free to choose if you wish to renew the tenancy on a month to month or yearly basis. If you are already in a lease with your tenant before he/she begins receiving Section 8, you may use your existing lease by simply changing the lease terms to coincide with the date that the Section 8 assistance will begin, and initialing this change along with the tenant. We recommend that you provide us with a copy of your lease as soon as it has been signed by both yourself and all tenants in the household age 18 or older. A Section 8 Lease Addendum containing provisions required by HUD will be attached to your lease and a copy will be provided to you and the tenant.

Form 3: Housing Assistance Payment (HAP) Contract

The final form that will be needed is the HAP Contract. This is a legal document binding HOUSING AUTHORITY to pay a portion of the rent payment to you each month on behalf your tenant. The terms of the Contract coincide with the terms of the lease, including any extensions. The Contract will be issued to you by HOUSING AUTHORITY once everything else has been completed to authorize the tenant for Section 8. After the Contract has been signed and returned to us, we can begin to send the HAP Payments to you as long as the client remains eligible to receive benefits.

TENANT'S SHARE OF THE RENT

In the Section 8 Program, the tenant and HOUSING AUTHORITY each pay a portion of the rent. The tenant's portion of the rent is determined by his/her income, family size, income deductions, as well with the amount of rent charged and the utilities for which the tenant will be responsible. HOUSING AUTHORITY pays the difference between 30% of the tenant's adjusted income and the cost of the housing expenses. However, if the housing expenses are higher than the established Voucher Payment Standard, the tenant pays the extra expenses over the Voucher Payment Standard *in addition to* the 30% of his/her adjusted income. Furthermore, to ensure that the tenant can afford this unit, the Section 8 Program will not allow the tenant to pay more than 40% of his/her adjusted income towards his/her housing expenses.

HOUSING AUTHORITY'S SHARE OF THE RENT

HOUSING AUTHORITY will pay the owner the Housing Assistance Payment for the duration of the HAP Contract as long as the family occupies the apartment and remains eligible for the Program. HOUSING AUTHORITY always pays its share directly to the owner. The owner must collect the family's portion of the rent. In some cases, when the family's income is very low, we will also send a monthly payment to the utility company on behalf of the client to assist them in paying their utilities.

Program regulations prohibit the collection of extra side payments from the tenant in excess of the family's share of the rent and prohibit requiring the family to perform extraordinary services in lieu of payments.

You as the landlord should **COLLECT THE FULL AMOUNT OF THE RENT UNTIL THE FINAL HAP CONTRACT IS SIGNED AND YOU RECEIVE WRITTEN NOTICE THAT THE PAYMENTS HAVE BEEN AUTHORIZED.** HOUSING AUTHORITY has no authority or responsibility for payments of the rent owed before the applicant is authorized.

The security deposit is the responsibility of the tenant and should be both reasonable and not in excess of the amount charged a tenant not receiving rental assistance.

RECERTIFICATION

Prior to the annual anniversary date of the Lease and HAP Contract, we will contact your tenant to begin the recertification process. The process is quite simple. Your tenant will be mailed the necessary recertification forms. He/she needs to complete and return them to HOUSING AUTHORITY promptly. The COS will re-verify the family's income, and an inspection of the unit will be performed to make sure it is still in satisfactory condition. If your unit passes the inspection and your tenant complies with Program regulations and wants to continue renting from you, we will continue sending you the Housing Assistance Payment, which will be adjusted based on the family's current income situation.

In between annual recertifications, your tenant can notify us of any changes they experience in the family's income. If the household income decreases, the tenant has the option to request that the Housing Assistance Payment be recalculated. In the case of increased income, we will normally not recalculate the HAP until the next annual recertification. Recertifications are always required when a client moves or if people move in or out of the household. If the HAP Payment and the tenant's portion of the rent are changed due to a re-examination, we will promptly notify both you and the tenant of the change after the new amounts have been determined.

OWNER/TENANT RESPONSIBILITIES

Once the tenant has signed the Lease, his/her responsibilities as a tenant are essentially as any other tenant. The tenant must pay his/her portion of the rent directly to the owner or manager each month. If the utilities are not included in the rent, the tenant must also make those payments. The tenant must keep the unit in good condition and abide by the terms of the Lease.

The owner must collect the rent, maintain the property, and abide by the Lease and Contract.

PLEASE NOTE: The HAP Contract requires that HOUSING AUTHORITY receive a copy of all 5-day notices, lease violation letters, etc. that may be sent to the tenant for non-compliance issues. It is extremely important that our office receive this information.

The Section 8 requirements for the family's ongoing assistance are logical and follow common sense. They include such things as providing requested information to HOUSING AUTHORITY, notifying us if the family will be absent from their unit for an extended time, allowing inspection of the unit, notifying HOUSING AUTHORITY of changes in family composition, and paying required utilities as well as rent. The family may NOT be absent from the unit for more than 180 consecutive days, have any ownership of the unit commit serious or repeated lease violations, commit fraud in connection with the Section 8 Program, sublet the unit, participate in illegal drug use or criminal activity, or damage the unit beyond normal wear and tear.

MOVES AND TERMINATIONS

The Section 8 subsidy moves with the tenant when he/she moves, as long as the tenant continues to meet Section 8 requirements at his/her new rental unit. The funding does not stay with the housing unit he/she moves from. Section 8 clients must give the owner and HOUSING AUTHORITY advance written notice of any move. The family must notify HOUSING AUTHORITY and the landlord at least

30 days before moving (or more if your lease so requires) and give to HOUSING AUTHORITY a copy of the notice to vacate which they gave their landlord. Failure to notify HOUSING AUTHORITY and the landlord before the family moves, or to give HOUSING AUTHORITY a copy of the move out notice is a breach of family obligations under the Program and may result in the family's termination from the Program. Moves during the first year of the lease are only allowed if you agree in writing to release the family from the lease.

If there are problems with the tenancy, you have the same rights to eviction as you do under Wisconsin law for non-assisted tenants. We simply ask that you send us a copy of any eviction notices given to tenants receiving Section 8 Assistance. It is important to remember to give us copies of any and all eviction notices, as this will be considered by a judge should the eviction case go to court.

Section 8 Program terminations may occur for the following reasons:

- ◆ If there is a preponderance of evidence that a family member has engaged in drug related or violent criminal activity within the last three years, (The family member does not have to have been arrested or convicted prior to termination of assistance. A client who has engaged in drug related activity within the last three years might still be eligible for Section 8 Assistance if he/she has completed a drug rehabilitation program.)
- ◆ If the family owes money to HOUSING AUTHORITY or any other Housing Authority (in connection with Section 8 or Public Housing) or the family breaches an agreement to repay such amounts to any Housing Authority
- ◆ If the family has engaged in or has threatened abuse or violent behavior toward Housing Authority personnel

The family will receive specific notice of the reasons for the proposed termination and the opportunity for a hearing prior to termination.

A client may not pay more than 40% of his/her adjusted monthly income toward his/her own housing expenses. Follow the example below to see if Mr. Smith qualifies. (You or the tenant will not be expected to complete these calculations).

MR. SMITH FAMILY SHARE FOR A 2 BEDROOM FAMILY

2 Bedroom Payment Standard:	\$450
Monthly Adjusted Income:	$\$700 \times .30 = \210
Monthly Income:	$\$740 \times .10 = \$ 74$
Welfare Rent:	N/A
PHA Minimum Rent:	\$ 50
Total Tenant Payment:	\$210
Maximum Initial Rent Burden	$\$700 \times 40\% = \280

If the gross rent is equal to or less than the Payment Standard, Mr. Smith qualifies for this rental unit.

WHEN THE GROSS RENT EXCEEDS THE APPLICABLE PAYMENT STANDARD

2 Bedroom Payment Standard:	\$450
Total Tenant Payment (TTP):	\$210
Maximum Initial Rent Burden:	\$280

Family selects a 2 Bedroom unit with a gross rent of \$500.
The gross rent exceeds the payment standard by \$50.

Family share = \$210 (TTP) + \$50 = \$260

This unit can be rented because the family's share is less than the maximum initial rent burden of \$280.

- If the family had selected a unit with a gross rent of \$550, the unit would not be approved by the HOUSING AUTHORITY because the family share would exceed the maximum initial rent burden. The gross rent exceeds the payment standard by \$100. The family share is calculated as the TTP of \$210 + \$100 or \$300, which exceeds the maximum initial rent burden of \$280.

*****NOTE** – a subsequent rent increase during the family's occupancy of the unit, after the initial first year, that causes the family share to exceed 40% of the monthly adjusted income is permissible so long as the new rent to owner is determined to be reasonable. The maximum initial rent burden applies only at the commencement of an assisted occupancy in a particular unit.

CONCLUSION

We hope you have found this guide helpful. I'm sure you can see that the success of the Section 8 Program and the security of Bayfield County's lower income families depend on the participation and cooperation of rental housing owners like you. We look forward to working with you! Please call us with any questions or concerns.

