

Version 07/05

## Chapter 1

### Goal of the Housing Choice Voucher Housing Program

This Handbook has been prepared to enhance an owner's/landlord's understanding of the HUD Housing Choice Voucher Program.

The U.S. Department of Housing and Urban Development (HUD) determines the Rules and Regulations for the Housing Choice Voucher Program and the S C State Housing Finance and Development Authority sets Policies. As a rental property owner or manager, this will assist you in understanding how the Program works. The laws, rules, regulations and policies that govern the Housing Choice Voucher Program may change at any time and without notice. This is intended as a guide and is not the "official rulebook" for the HCV Program.

The HCV Rental Assistance Program helps participant families to rent better units in many different neighborhoods they could not otherwise afford. Participant families include elderly persons, persons with disabilities and families who do not earn enough to keep pace with rising rental housing costs. The success of the Program depends on the Authority being able to contract with owners/landlords who have decent, safe and sanitary rental units in good repair. Owner/landlord participation is voluntary; however, many low-income participant families in your community rely on owners/landlords like you, who are willing to participate in the Housing Choice Voucher Program.

### Authority Service Commitment

It is the Authority's goal to provide excellent service to participant families and owners/landlords participating in the HCV Program. The Authority's duty is to subsidize rent for decent units and not to change the basic tenant/landlord relationship. Do not hesitate to contact the Authority if you have a question or problem that pertains to one of the Authority's housing programs.

If someone you know has one or more rental units that they are interested in the Program, please ask them to contact the Authority and we will be happy to explain the HCV Program and provide information that they require.

The Authority currently administers the HCV Program in the following counties:

Florence, Dillon, Marlboro and Chesterfield

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Chapter 2

## Responsibilities within the Housing Choice Voucher Program

The HCV Program is a three-way partnership among the Authority, the participant family, and the owner/landlord of the housing unit. The Authority's involvement is to subsidize rent and does not change the basic tenant/ landlord relationship. The Authority is not a party to the lease. The participant and landlord should enforce lease provisions.

### The Authority's Responsibilities

In order for the Program to continue to be successful, the Authority must:

- Provide participant family and owner/landlord with prompt, professional service
- Review all applications to determine program eligibility
- Explain the rules of the program to eligible participant families and owners/landlords
- Issue a Voucher
- Approve a unit, the owner/landlord, the Lease, HQS, and rent reasonableness
- Make Housing Assistance Payments (HAP) to the owner/landlord in a timely manner
- Insure that both the participant family and the unit continue to qualify u

nder the program

- Comply with the terms of the HAP Contract with the property owner/landlord

### The Participant Family's Responsibilities

In order for the program to work, the participant family must:

- Take responsibility for the care of their housing unit
- Pay the rent on time and comply with the terms of the Lease with the owner/landlord
- Comply with the Participant Obligations
- Make their best effort to find a place to live that is suitable for them and qualifies for the program
- Provide the Authority with complete and accurate information
- Cooperate in attending all appointments scheduled with the Authority
- Comply with the SC Residential Landlord Tenant Act

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### The Owner/Landlord's Responsibilities

In order for the program to work, the Owner/Landlord must:

- Screen participant families who apply to determine if they will be good tenants
- Maintain the housing unit, periodically inspect the property and make necessary repairs in a timely manner
- Collect rent due by the participant family and otherwise enforce the Lease

- o The Lease must comply with State and local law and must include a minimum of the following:
  - ? The names of the owner and the tenant;
  - ? The unit rented (address, apartment number, and any other information needed to identify the contract unit);
  - ? The term of the Lease (initial term and any provisions for renewal);
  - ? The amount of the monthly rent to owner; and
  - ? A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.
- Comply with the terms of the HAP Contract with the Authority
- Comply with the terms of the lease with the participant family
- Comply with Fair Housing Laws and not discriminate against any participant family
- Comply with the SC Residential Landlord Tenant Act

## How HCV Program Operates---Owner/Landlord's Perspective

### Step 1- Finding a Participant Family

When a participant family is determined to be eligible for the program and funding is available, the Authority issues the participant family a Housing Choice Voucher. The participant family receives the Voucher at the participant family briefing. The participant family may then begin looking for a unit.

If you wish, the Authority will give your name and general information about the rental unit (s) to the participant families who have been issued a Voucher. The Authority will furnish participant families with information about owner's/landlord's who may have available units. Any interested participant family can then contact you for an appointment to see your housing unit (s). The owner/landlord may want to advertise vacant unit(s) in the newspaper. The advertisement should state that the owner/landlord would accept applicants who have a Housing Choice Voucher. The Authority cannot steer participant families to specific owner/landlords or rental units.

### Step 2- Screen the Participant Family

If a HCV Participant family contacts you, evaluate them as you would any other renter. The Authority verifies participant family eligibility, not suitability.

The tenant family selection standards employed must be based on objective, business-related considerations, such as previous rental history, credit or criminal record checks, etc. Owner/Landlord should apply the same tenant s

election standards for all tenants who apply. The Authority can provide you with names of previous owner/landlords if available.

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### Step 3- Authority Approves Lease and Unit Request for Tenancy Approval

The participant family will be given a Request for Tenancy Approval at their family briefing. The RFTA is a request for the approval of a Lease. It states that the owner/landlord is interested in participating in the program and gives the Authority the necessary information concerning the unit to execute the Lease and Contract. Review the RFTA, complete and sign it. When the Authority receives the signed RFTA, it will be reviewed to determine if the unit is the correct size and the proposed rent is allowable.

#### The Lease

The lease between the tenant and owner/landlord must be in the standard form used in the locality by the owner and must be the same as that used for the owner/landlord's other unassisted tenants in the premises. The HUD required Tenancy Addendum will be attached to the RFTA. The terms and conditions of the lease must be consistent with State and local law.

It is the Authority's responsibility to review the Lease to verify that it complies with program rules. The Authority is not required to determine if the lease is consistent with State/local law because the owner certifies to this in the HAP contract. The Lease should include the amount of security deposit, responsibilities for utilities, appliances, and optional services, if applicable, and the total amount of the proposed rent to owner/landlord for the housing unit.

The Authority must review and approve all Leases before they are signed. The Lease should be completely filled out, but not signed.

#### Security Deposits

The owner/landlord may collect a security deposit. The security deposit may not exceed the lesser of the security deposit charged for non-HCV tenant families or one month's Contract rent. The Authority encourages owner/landlord to collect security deposits.

#### Separate Agreements

The owner/landlord and tenant family may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the Lease. The agreement must be in writing and approved by the Authority. If agreements are entered into at a later date, they must be approved by the Authority and attached to the Lease.

Tenant family and owner/landlord are prohibited from entering into separate “side agreements” for additional rent, items normally included in the rent of unassisted tenant families, or for items not shown on the approved Lease.

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### Fair Market Rents (FMR)

The FMR is established for units with all utilities, utilities and refrigerator included. Since many units do not include utilities and appliances, a utility allowance schedule is used to determine the maximum allowable rent. HUD updates FMR's by county annually. FMR's are published in the Federal Register and are available from HUD website and the Authority.

Under the HCV Program, the Fair Market Rent (FMR) is used to determine the Payment Standard that establishes the maximum amount of subsidy the family may receive. It is also used to determine the maximum amount of rent that may be paid at Lease up.

### Rent Reasonableness

Rent reasonableness determinations are made when units are placed under HAP contract for the first time and when an owner requests a rent increase for the Voucher Program. The proposed rent will be compared to the rent for other unassisted units on the market considering: location, size, type, quality, age, amenities, housing services, and maintenance and utilities provided.

d by the owner.

The HA will certify and document on a case-by-case basis that the Contract rent for each unit for which a lease has been approved is reasonable in relation to rents currently being charged for comparable units in the private unassisted market, and not in excess of rents currently charged by the owner for comparable unassisted units.

If the HA believes the rent is too high and it cannot be approved, the HA will contact you and, if possible, negotiate an acceptable rent. Please let the HA know of comparable units in the area which support your requested rent. HUD regulations prohibit the HA from subsidizing rents that are not reasonable.

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### Housing Quality Standards (HQS)

The HA will notify the owner/landlord and the tenant family of the date of the HQS Inspection. You or your representative must be present for the initial inspection. The HA must inspect all units prior to lease-up and at least annually as long as the rent is subsidized. The inspection should take less than 30 minutes.

If the unit does not pass the HQS inspection, you will be provided a detailed list of deficiencies. Some HQS deficiencies may appear very minor. However, the HA may not make rental assistance payments until the unit meets HQS. You will be given a reasonable time period (not to exceed 30 days) to make the necessary repairs to bring the unit up to standard. If you choose not to make the repairs, the HA cannot subsidize the rent.

A basic description of HUD Housing Quality Standards (HQS) can be found on the “Inspection Form”. The following is a list of requirements in addition to HUD’s HQS that the unit must meet:

Windows:

- All windows designed to open, must open.
- All openable windows must have proper fitting screens in good condition.

Mobile Homes:

- All mobile homes must have underpinning surrounding the base of the home.
- The unit must have been set-up and anchored (tied down) in compliance with standards set by The South Carolina Manufactured Housing Board.

The HA wants to work with owners to make the HCVP as convenient as possible. HQS Inspections are the mechanism to ensure that Federal Funds are spent only for safe and decent units. Many units do not pass the initial inspection due to minor flaws. These problems could be avoided by the owner performing general preventive maintenance. An HQS failure does not benefit the owner, tenant family or the Authority.

## 10 most common Housing Quality Standards deficiencies

Smoke detectors not working.

Batteries die and sometimes get removed. Changing over to hardwired or long-lasting tamper-proof will avoid this problem. You may wish to carry an extra battery.

Peeling and chipping paint.

Painting is part of preventive maintenance

Electrical outlet covers broken or missing.

You may wish to carry extra covers.

Windows that are designed to open, won't open/ missing window locks.

The common cause is painting the windows shut.

Window screens missing or torn.

Broken or missing window panes.

Even small cracks are unacceptable (cut hazard).

Toilets not secured to the floor.

This can cause or be caused by structural problems. Securing the toilet will cost less

than replacing the floor.

Un-vented gas heaters.

Un-vented gas heaters are a major cause of residential fires in South Carolina.

Infestation.

Pest control is part of preventive maintenance

Torn vinyl or carpet causing a tripping hazard.

Carpet and vinyl wear out and need to be replaced periodically.

## Tenant Caused Damages

Some HQS deficiencies are due to tenant misuse or damage. The South Carolina Landlord Tenant Law contains specific procedures for recovering money from tenants.

## The Dangers of Lead in a Home

For units built 1978 or before, tenants must be informed of the hazards of lead based paint. A Lead Based Paint Brochure is enclosed.

#### Step 4- Contract and Lease Signed

Once the Lease and unit are approved:

- The Lease, which binds the owner/landlord and tenant family, will be signed.
- The HAP Contract, which binds owner/landlord and the HA will be signed.

#### Step 5- Tenant Family Payments to Owner/Landlord

The tenant family is responsible for paying the tenant rent, which is the difference between the HAP amount and the Contract Rent. The owner/landlord should collect the tenant rent. Failure of the tenant family to pay the tenant rent is a violation of the lease. The HA will inform, in writing, the tenant family and the owner/landlord of the HAP and tenant rent.

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#### Step 6- Authority Payment to Owner/Landlord

The Authority will begin sending Housing Assistance Payments (HAP) to the owner/landlord after the unit has been approved and the HAP Contract has been signed. The HA will make monthly housing assistance payments to the owner on behalf of the family at the beginning of each month. The HA will continue to make HAP as long as:

- The unit meets HQS
- The tenant family is eligible for assistance
- The tenant family resides in the unit
- The owner/landlord is in compliance with the Contract and Lease

By endorsing the monthly HAP check from the Authority, the owner/landlord certifies that the tenant family is still in the unit and the unit meets HQS.

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## Chapter 3

### Rental Units

After being issued a voucher, the tenant family has 60 days to locate a rental unit that is safe, decent, sanitary and in good repair.

The tenant family may select:

- Single tenant family dwellings
- Apartments
- Duplexes

- Townhouses and Condominiums
- Mobile Homes

The rent must be reasonable and comparable with similar unassisted units in the community.

The HA will not “steer” a tenant family toward or away from a unit, owner/landlord or neighborhood.

The HA cannot approve a unit if the unit’s owner is the parent, child, grandparent, grandchild, sister or brother of any member of the tenant family.

## Re-Certification of the Tenant Family

The HA is required to re-certify the tenant family's continued eligibility at least annually. This re-certification may affect the amount the tenant family must pay in tenant rent and the amount the HA will pay in HAP. The HA will provide advance written notice to the tenant family and the owner/landlord if the tenant family's portion of the rent changes as well as the Housing Authority's HAP amount.

Should the tenant family lose its eligibility, the HA will notify, in writing, the tenant family and the owner/landlord that the tenant family's Rental Assistance is being terminated.

## Annual HQS Inspections

The owner/landlord and tenant family will be notified when the unit will be inspected. The inspector will determine if the unit continues to meet HQS. If the inspection reveals that the unit is in violation of the HQS, the owner/landlord will be informed in writing and given a reasonable amount of time (not to exceed 30 days) to correct the problems. Regardless of whether or not the tenant family is held responsible for repairs, failure to comply with the requested action will result in either abatement of the HAP, termination of the HAP Contract or cancellation of the tenant family's eligibility. If additional time is required to complete the repairs, a written request must be made to the HA requesting an extension for extenuating circumstances.

If payments are abated, all deficiencies must be corrected before payments are resumed. Abated payments will not be paid to the owner/landlord even if the deficiencies are corrected. Abatement begins the date of the re-inspection if repairs are not completed. The owner will not receive HAP during the abatement period and the owner/landlord cannot charge the tenant the amount the HA has abated. If the owner/landlord refuses to correct the deficiencies, the HA will terminate the HAP Contract. If payment is abated the participant will have an opportunity to move if desired.

## Rent Adjustments and Increases

In the Voucher Program, the rent to the owner/landlord may not be increased during the first year of the Lease. After the first year of the Lease, the owner/landlord may offer a new Lease with an increased rent. The owner/landlord must give the tenant family and the Housing Authority at least 60 days written notice of any increase before it is to take effect. The rent increase

will be effective upon annual recertification of the participant. The HA or the tenant family may reject the new Lease.

To be eligible for a rent adjustment or increase:

- The Rental Unit must be in compliance with HQS
- The proposed Contract Rent must be reasonable and not exceed rent charged by the owner/landlord for other comparable unassisted units and
- The owner/landlord must otherwise be in compliance with the terms of the Lease and Contract.

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#### Termination of the Lease by the Owner/Landlord without an Eviction

After the first year of the Lease the owner/landlord may terminate the lease after providing the tenant family and the HA with a letter canceling the lease at least 30 days prior to the effective date.

#### Termination of the Lease by the Tenant Family

After the first year of the Lease the tenant family may move. The tenant family is required to provide a written notice of its intent to both the owner/landlord and the HA. The notice must be at least 30 days and not more than 60 days before the scheduled move out date, unless the unit is on abatement.

#### Termination of the Lease by the Owner/Landlord through Eviction

The owner/landlord is required to evict using the notice procedures prescribed by State or local law. The owner/landlord must provide the tenant family a written notice specifying the grounds for termination of tenancy at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner/landlord eviction notice to the tenant family. The owner/landlord must provide the HA with a copy of the eviction notice.

#### Transfer of the Housing Assistance Payments (HAP) Contract

The owner/landlord may not transfer, in any form, the HAP Contract without the prior written consent of the HA. The HA shall give its consent to a t

transfer of the HAP Contract if the transferee is eligible to be a HCV owner/landlord and agrees, in writing, to comply with all terms and conditions of the HAP Contract. The transferee shall give the HA a copy of the executed agreement including the IRS W-9 form from the new owner. A new HAP Contract will have to be executed.

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## Chapter 5

### Lease and Contract Termination

#### Termination of the Lease by the owner/landlord without an eviction

After the first year of the Lease, the owner/landlord may terminate the lease for:

- Business or economic reason for regaining possession of the unit
- Owner/Landlord's desire to repossess the unit for personal use
- Tenant family's refusal to accept offer of a new Lease

The owner/landlord must provide the tenant family and the Authority with a le

After canceling the lease at least 60 days prior to the effective date.

### Termination of the Lease by the Tenant Family

After the first year of the Lease, the Tenant Family may move. The tenant family is required to provide a written notice of intent to both the owner/landlord and the Authority. The notice must be at least 30 days and not more than 60 days before the scheduled move out date.

### Continued Assistance—Voucher Program

If the Authority has no grounds for termination of assistance, the Authority will issue a new Voucher so that the tenant family can move with continued assistance.

### Termination of the Housing Assistance Payments (HAP) Contract

The Authority or the owner/landlord may terminate the HAP Contract as provided in the HAP Contract. Termination of Lease by either tenant family or owner/landlord automatically terminates contract.

Even though the term of the assisted tenancy may be indefinite, the owner/landlord or the tenant family may terminate the Lease. The Authority's involvement is to subsidize rent and does not change the basic tenant/landlord relationship.

### Termination of the Lease by the Owner/Landlord through Eviction

The owner/landlord is required to evict using the notice procedures prescribed by State or local law. The owner/landlord must provide the tenant family a written notice specifying the grounds for termination of tenancy at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner/landlord eviction notice to the tenant family. The owner/landlord must provide the Authority with a copy of the eviction notice.

The owner/landlord eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

The Contract and Lease require that the owner/landlord may only evict for the following reasons:

- Serious or repeated violation of the terms and conditions of the Lease
- Violation of Federal, State or local law that imposes obligations on the tenant family in connection with the occupancy or use of the premises.
- Other good cause, including:
  - o Criminal activity by the tenant family, any member of household, a guest or another person under the tenant family's control that threatens the health, safety or right to peaceful enjoyment of the premises.
  - o Any drug-related criminal activity on or near the premises
  - o Tenant family history of disturbances of neighbors, destruction of property, or behavior resulting in damage to the premises.

The eviction notice must specify the cause for the eviction. If the action is finalized in court, the owner/landlord must provide the Authority with the documentation, including notice of the lockout date.

### Transfer of the Housing Assistance Payments (HAP) Contract

The owner/landlord may not transfer, in any form, the HAP Contract without prior written consent of the Authority.

The Authority shall give its consent to a transfer of the HAP Contract if the transferee is eligible to be a HCV owner/landlord and agrees, in writing, to comply with all terms and conditions of the HAP Contract. The transferee shall give the Authority a copy of the executed agreement including the IRS W-9 form from the new owner.

## Chapter 6

### Owner/Landlord Disapproval and Restrictions

It is the policy of the Authority to recruit owner/landlords to participate in the Program, and to provide owners/landlords with prompt and professional service in order to maintain an adequate supply of available housing throughout the Authority's jurisdiction. HUD regulations define when the Authority must disallow an owner/landlord participation in the Program, and they provide the Authority discretion to disapprove or otherwise restrict the participation of owner/landlords in certain categories. The Authority, in determining an owner's/landlord's participation will use the criteria below.

For purposes of this section, "owner/landlord" includes a principal or other interested party.

#### A. Disapproval of Owner/Landlord {24CFR 982.306,982.54 (d)(8)}

The Authority will disapprove the owner/landlord for the following reasons:

HUD or other governmental agency has taken any of the following actions against an owner/landlord:

- Disbarred
- Suspended
- Subject to a limited denial of participation under 24 CFR part 24
- HUD has informed the Authority that the federal government has instituted an administrative or judicial action against the owner/landlord for violation of the Fair Housing Act or other federal equal opportunity requirements

and such action is pending

- HUD has informed the Authority that a court or administrative agency has determined that the owner/landlord has violated the Fair Housing Act or other Federal equal opportunity requirements.
- The owner/landlord has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal or State Housing Program.

The Authority may disapprove the owner/landlord for the following reasons :

- The owner/landlord has violated obligations under a HAP Contract
- The owner/landlord has engaged in drug trafficking
- The owner/landlord has a history or practice of noncompliance with the HQS for units leased under the tenant family-based Programs or with applicable housing standards for units leased with project-based Section 8 Assistance or leased under any Federal Housing Program
- The owner/landlord has a history or practice of renting units that fail to meet State or local housing codes
- The owner/landlord has not paid State or local real estate taxes, fines or assessments
- Owner/Landlord owes money to any Housing Authority in the State of S C

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#### B. Owner/Landlord Restrictions and Penalties {24 CFR 982.302 (a)(8), 982.453}

If an owner/landlord commits fraud or abuse or is guilty of serious Contract violations, the Authority will restrict the owner/landlord from future participation in the Program for a period of time commensurate with the seriousness of the offense. The Authority may also terminate some or all Contracts with owner/landlord.

Before imposing any penalty against an owner/landlord the Authority will review all relevant factors pertaining to the case, and will consider such factors as the owner/landlord's record of compliance and the number of violations.

### Overpayments:

If the owner/landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, the Authority may terminate the Contract and arrange for restitution to the Authority and/or tenant family as appropriate.

The Authority will make every effort to recover any overpayments made as a result of Landlord fraud or abuse. Payments otherwise due to the owner/landlord may be withheld in order to re-pay the Authority or the tenant family, as applicable.

### Housing Discrimination:

Housing discrimination is against the law. The Authority will advise a tenant family how to file a housing discrimination complaint against an owner/landlord. The Authority may also report the owner/landlord to HUD (Fair Housing/ Equal Opportunity) or other government agency (SC Human Affairs Commission).

## Chapter 7

### Fraud and Abuse

Incidences of fraud, willful misrepresentations, or intent to deceive with regard to the Housing Choice Voucher Rental Assistance Program are criminal acts. If an owner/landlord, tenant family or Authority employee is suspected of committing any fraudulent actions, the Authority is required to refer the matter to the proper authorities.

#### Examples of Fraud Involving Tenant Families:

- Failing to accurately report all income the tenant family is receiving
- Allowing unauthorized people to move into the unit
- Moving without informing the Authority
- Not using the residence as a full time residence
- Entering into “side agreements” for payments in excess of the tenant family’s share of the rent

#### Examples of Fraud Involving Owner/Landlords:

- Allowing unauthorized people to move in with tenant families
- Collecting HAP payments for a unit not occupied by a tenant family
- Entering into “side agreements” for payments in excess of the tenant family’s share of the rent

#### Examples of Fraud Involving Authority Employees:

- Excepting payments from the owner/landlord to certify substandard units as standard
- Certifying as eligible otherwise ineligible applicants
- Accepting payments or kickbacks from the owner/landlord or the tenant family that allow either party to violate Program rules.

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